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MINUTES

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OF

St. Matthew's Kirk Session

in re

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W. MONTGOMERY.

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MINUTES.

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V. 112  
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OF

# St. Matthew's Kirk Session

*in re*

## W. MONTGOMERY.

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*(Printed for the Information of Members of Presbytery.)*

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HALIFAX:

NOVA SCOTIA PRINTING COMPANY.  
CORNER SACKVILLE AND GRANVILLE STREETS.  
1873.

Public Archives of Nova Scotia  
HALIFAX, N. S.

" The investigation a most searching one  
and conducted with great vigor.

1<sup>st</sup> The statement not entirely an accurate  
one, but with no evident intention of  
fraud.

2 Aspects of Co Partnership badly shown  
Montgomery in Statement of Budd  
intent in business & Creditors  
a correct one, as Budd had no  
right to profits.

3 4 With reference to statement to  
Harry Abbott Montgomery claim  
in the Dodge estate a tentatively  
involved one, Budd being involved  
in the 2 concerns, it was  
a matter of policy with him to  
render it as he did to us. I found  
in a signature of great difficulty and had  
to do his best. <sup>He was certainly helped by the fact</sup>  
<sup>of not difficulty when the statement.</sup>

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MINUTES  
OF  
ST. MATTHEW'S KIRK SESSION  
*in re*  
W. MONTGOMERY.

*(Printed for the Information of Members of Presbytery.)*

SESSION ROOM, 5th February, 1872.

Which time and place the Session met, and was constituted with prayer. Present: Rev. G. M. Grant, Moderator; Messrs. Montgomery, Hesson, Neal, Bremner, Lindsay, John McLean, G. Maclean and Dr. Gordon, Elders.

*Inter alia.*

Mr. Montgomery brought to the notice of the Session that certain statements had been made with regard to his business transactions, affecting his standing as a member of Session, and expressed a desire that the same should be investigated. The Session thereupon appointed Messrs. Bremner, Neal and G. Maclean, as a Committee for this purpose.

GEORGE MACLEAN, Clerk.

SESSION ROOM, 1st July, 1872.

Which day the Session met, and was constituted with prayer. Present: Rev. G. M. Grant, Moderator; Dr. Avery, Dr. Gordon, J. J. Bremner, W. A. Hesson, M. M. Lindsay, W. Montgomery, W. H. Neal, J. McLean, G. Maclean, Elders.

*Inter alia.*

Mr. Bremner, as Chairman of the Committee in the matter of W. Montgomery, handed in a report, which, after being read, was remitted for further consideration; and Mr. Menzies was added to the Committee.

G. MACLEAN, Clerk.

## SESSION ROOM, 2nd December, 1872.

Which day the Session met, and was constituted with prayer. Present: Rev. G. M. Grant, Moderator; Dr. Avery, W. A. Hesson, W. H. Neal, M. M. Lindsay, J. J. Bremner, W. C. Menzies, John McLean and G. Maclean, Elders.

*Inter alia.*

Mr. Bremner, as Convener of the Committee in the matter of W. Montgomery, presented a statement voluntarily made by T. G. Budd, and signed by him, containing charges reflecting on the character of W. Montgomery, Mr. Bremner also tabled the report of the old Committee on this matter, which reports shows that there are matters connected with the settlement of Mr. Montgomery's business, which require explanation.

After due consideration, the Session

*Resolved*, That a Committee of two be appointed to meet with Mr. Montgomery, inform him that the Committee on his case hold to their original Report; show him also the paper signed by Mr. Budd, and ask him if he wishes the Session to investigate the matter, or whether he wishes to withdraw.

Dr. Avery and Mr. Hesson were appointed a Committee to convey the above resolution to Mr. Montgomery. G. MACLEAN, Clerk.

## SESSION ROOM, 15th Dec., 1872.

Which day the Session met, and was constituted with prayer. Present: Rev. G. M. Grant, Moderator; Dr. Avery, Dr. Gordon, W. F. Knight, W. A. Hesson, J. J. Bremner, W. C. Menzies, W. H. Neal, M. M. Lindsay, J. McLean, and George Maclean, Elders.

Dr. Avery and Mr. Hesson, the Committee appointed to convey to Mr. Montgomery the resolution passed at last meeting, Reported that they had carried out the instructions given them. The Moderator submitted a letter from Mr. Montgomery, in which the latter declines, for reasons stated therein, to allow the matter to come before Session, and resigning his position as member of Session.

After long deliberation on the subject, the following resolution was moved by Dr. Avery, and seconded by Mr. Neal:—

*Whereas*, On the 5th February last, Mr. Montgomery brought to the knowledge of the Session "that certain statements had been made with regard to his business transactions, affecting his standing as a member of Session, and expressed a desire that the same should be investigated," and a Committee was therefore appointed for that purpose;

*And Whereas*, The said Committee reported, as per minutes of 1st July and 2nd Dec., "that there were matters connected with the settlement of the business of W. Montgomery requiring explanation;"

*And Whereas*, Mr. Montgomery, for family and other reasons, declined to go into the question of his business connection with Mr Budd, although without this, it was impossible to disprove all the charges;

*And Whereas*, On the 2nd Dec., there was submitted to the Session a paper signed by Mr. Budd, containing charges, several of which had been orally made in his behalf by others;

*And Whereas*, The Session then intimated to Mr. Montgomery that, if he were to remain a member of Session, these must be taken up and satisfactorily explained, and Mr. Montgomery responded, protesting that he had done Mr. Budd no wrong, but adhering to his former resolution, and for the same reason not to bring the whole question of his connection with Mr. Budd before Session, and resigning his membership;

*Therefore Resolved*, That, as it is only just to give Mr. Montgomery credit for sincerity in the reasons stated for his declinature, the matter be dropt at this point, as taken out of the sphere of the Session, that Mr. Montgomery's resignation be accepted, the Committee on the case discharged, and Mr. Budd's communication returned to him, with information that Mr. Montgomery is no longer a member of this Session.

Moved in amendment by Dr. Gordon, and seconded by J. McLean :

*Resolved*, That the Report of the Committee, handed in on 2nd Dec., be not adopted, and the Committee be thanked and discharged.

Moved in amendment by Mr. Lindsay, and seconded by Mr. Menzies :

*Resolved*, That a Committee of two be appointed to call on Mr. Montgomery to state that the Session is of opinion that he should appear to have his case investigated, otherwise the Session would be obliged to accept his resignation.

The amendment having been put and lost, the original resolution was carried by a majority of six.

Dr. Gordon, Mr. Menzies and Mr. Lindsay, gave notice that they would hand in reasons for dissent from the decision of Session.

The Moderator and Dr. Avery were appointed a Committee to convey the resolution of Session to Mr. Montgomery.

Closed with prayer.

G. MACLEAN, Clerk.

SESSION ROOM, 22nd, Dec., 1872.

Which day the Session met, and was constituted with prayer. Present: Rev. G. M. Grant, Moderator; W. F. Knight, W. A. Hesson, J. J. Bremner, M. M. Lindsay, John McLean, W. C. Menzies and G. Maclean, Elders.

*Inter alia*.

The Moderator reported that the Committee had conveyed to Mr. Montgomery the resolution passed at last meeting; and that Mr. Montgomery stated that, as he was now in a more independent position, he desired to appear before Session by counsel to have his case investigated, and did now challenge his accusers to produce their charges.

The Session therefore order that the Clerk notify Mr. Budd in the following terms :—

Mr. Montgomery having retired from the Session of St. Matthew's, and being now a private member of the church, and consequently being in a more independent position, now challenges you to produce the charges submitted by you a few days since, and the Session hereby notify you of the same.

The Moderator, Mr. Menzies and Mr. Lindsay, were appointed a Committee to arrange upon further proceedings in the matter.

Closed with the Benediction.

G. MACLEAN, Clerk.

SESSION ROOM, 6th Jan., 1872.

Which day the Session met, and was constituted with prayer. Present: Rev. G. M. Grant, Moderator; Dr. Avery, J. J. Bremner, J. McLean, W. C. Menzies, W. F. Knight, W. H. Neal, W. A. Hesson, M. M. Lindsay and G. Maclean, Elders.

*Inter alia.*

The Moderator Reported from the Committee on Mr. Montgomery's case, and finding, by decision of the General Assembly, that no law agent could be employed before a Kirk Session,—Mr. Montgomery had been notified accordingly, and he expressed acquiescence. Secondly, That Mr. Budd had been notified, and was requested to repeat his charge. A letter from Mr. Budd was read expressing his intention to do so.

The Committee submitted a summary of the accusations that had reached the Session, so far as known to the Committee.

The Session resolved that a Committee, consisting of Mr. Menzies and Mr. Bremner, be appointed to complete the specification of the charges; to furnish Mr. Montgomery with a copy; to arrange for the presence of such witnesses, and the production of such documents as may be necessary, and to inform both parties that the Session will meet at St. Matthew's Church Session Room, on Monday, 3rd February, at eight o'clock.

Closed with prayer.

G. MACLEAN, Clerk.

#### MEMORANDUM OF CHARGES AGAINST WM. MONTGOMERY.

It is alleged that the said William Montgomery has by past conduct, particularly in certain business transactions connected with a partnership carried on with one Thos. G. Budd, under the style of Wm. Montgomery & Co., forfeited his privileges as a member of the Church of Christ, and specially on the following grounds:—

I. That a statement dated 17th August, 1869, given by him to the Union Bank of Halifax, purporting to describe the position of the firm of W. Montgomery and Co., on the 1st April, 1860, was not a correct statement of the position of the Company on that date.

II. Inasmuch as in a statement dated 2nd December, 1870, professing to be a copy of the account of Thomas G. Budd with the firm of W. Montgomery & Co., rendered to the creditors of the said T. G. Budd in order to show his interest in that firm at the date of his insolvency, the following items are unjustly omitted:—

1. Credit for his proportion of the annual profits of the Company with the single exception of an entry of \$3200 on 1st July, 1867, which was afterwards reversed.

2. Credit for interest on said accounts.

The following items unjustly appear against T. G. Budd:—

3. 20th July, 1870, \$3608, 25; said amount being part of a charge of \$14,225 80, made against T. G. Budd on 16th November following.

4. 30th November, 1870, \$884 07, balance of Dodge & Co.'s Account which should have been ranked against their Estate.

5. Work done for and charged to T. G. Budd is so charged at enormous and unjust prices.

III. That in account between the said Wm. Montgomery and the firm of W. Montgomery & Co., the following items justly chargeable are omitted:—

1. His travelling expenses to New York and back when solely on his private business, charged merchandise account.

2. The expenses of his son James, while remaining in New York to settle a former business of Wm. Montgomery, in which the firm of W. Montgomery & Co. had no interest, charged merchandise account.

3. The rent of an Office in New York formerly used for his said private business, charged merchandise account.

4. The cost of painting, papering and repairing his private residence; the cost of labour for keeping his garden, the cost of supporting his cow, proportion of cost of supporting a horse used for his family waggon, and many other petty items, charged merchandise account.

5. A sum of money said to have been lost by him in New York.

6. The interest on his overdrawn balances.

The following items are unjustly credited to him and charged the firm of W. Montgomery & Co.:—

7. The cost of certain old casting patterns used by him in New York, but in great measure useless to the firm of W. Montgomery & Co.

8. An amount of \$78, for the old office furniture of his New York office, an extravagant and excessive valuation.

9. A sum of \$26 15 amount of a fine imposed on him in the Police Court for a private quarrel with one W. D. O'Brien.

10. A sum of \$170, being cost of a private carriage used exclusively by his family.

11. A sum of \$14,291 66 on 27th January, 1870, for proportion of profits, no corresponding credit having been given to Mr. Budd.

12. A sum of \$813 76, on 31st August, 1870, the same being a liability of the firm incurred on his account, not matured.

IV. By various misrepresentations made to said T. G. Budd, or his friends, the said W. Montgomery seriously prejudiced his or their interests.

1. That he represented himself as free of debt when he entered the firm of W. Montgomery & Co.

2. That while he represented himself to be competent to take the supervision of the works and of the entire business of W. Montgomery & Co., he was never brought up as a mechanic, but a cotton mill superintendent, and was dependent upon his foreman to draught his plans and manage the practical part of the business.

3. That he imposed upon the affection, confidence and credulity of said



T. G. Budd—being his brother-in-law inducing him to invest in mechanics and particularly \$15,000 in the business of W. Montgomery & Co., which was utterly lost to the said Budd.

4. That he caused the said Budd to involve friends by obtaining from them loans of money and accommodation endorsements through fabulous statements of the solvency and profitable business of W. Montgomery & Co.

5. That in the purchase of certain machinery for the Stillwater Mill and Dodge's Factory he representing his services as entirely friendly and gratuitous, while he actually received and applied to his own use a sum of \$95 35 on 6th May, 1867, and other monies being commission or trade discounts allowed by the parties from whom the said machinery was bought.

6. That while on 10th August, 1870, he did offer to pay the said Budd \$30,000 for his interest in the said firm of W. Montgomery & Co., he did in December, 1870, represent to the creditors of said Budd, that the said Budd was indebted to said firm.

V. That the said Wm. Montgomery continued from 1st April, 1869, to 31st August, 1870, (17 months) to charge the firm through his private account with sums of money in the aggregate amounting to \$9,504 87, contrary to the articles of partnership, which provided that he should draw \$3,500 per annum from the profits, whereas from a comparison of the position of the firm at these two periods, it would seem doubtful whether any profits were earned.

VI. That the said Wm. Montgomery, on 18th April, 1871, in answer to an application from one G. P. Black, for a sum of money justly due by him to the said Black, did produce as an offset, counterbalancing said claim, a Bill of Exchange or promissory note for \$1100 due 9th November, 1870, upon which the said Black's name appeared as accommodation endorser, which bill had previously been paid to him by charging the amount at maturity to funds of said T. G. Budd in his hands.

VII. That, whereas the said W. Montgomery has been living in circumstances of comfort during the years 1870 and 1871, well knowing that everything that he possessed prior to 1870 was derived from T. G. Budd, he allowed the said Budd, being his brother-in-law and destitute of all means of support, to depend with his large family upon the charity of others, having not only neglected to minister to his temporal wants but steadily refused (except on one occasion when he gave Mrs. Budd \$20) all applications for assistance to said Budd and his family.

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FEBRUARY 3RD, 1873.

*Sederunt*—Rev. G. M. Grant, Moderator; W. C. Menzies, J. J. Bremner, W. A. Hesson, M. M. Lindsay, W. F. Knight, W. H. Neal, John McLean, and G. Maclean, Elders.

*Inter alia*.

After disposing of the ordinary business, the Session took up the case of W. Montgomery, the committee appointed at last meeting having carried out

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the arrangements agreed upon. The members of Session were several days previously furnished with a copy of the charges made against Mr. Montgomery. A copy also was sent to Mr. Montgomery, who signified his readiness to meet the Session at the time appointed. A copy was also sent to Mr. Budd, who offered himself as a witness against Mr. Montgomery.

Mr. Montgomery and Mr. Budd being present, the Moderator stated the order of procedure, and announced that the case would now proceed.

Mr. Budd addressed the Session, and declared his readiness to reconcile the differences between Mr. Montgomery and himself. Mr. Montgomery declined, stating that the matter had gone so far, it was his desire that the investigation should take place.

The Moderator then read the first charge in the libel:—

Copy of a statement tabled by Mr. Budd, and read, admitted by Mr. Montgomery as a correct copy of original statement. (Appendix A.)

*Moderator to Mr. Budd.—Q.* What have you to say in reference to the charge here made? *Ans.* I do not know whether the statement is correct or not.

*Q.* Were you a partner in the firm of W. Montgomery & Co.? *Ans.* I was.

Articles of co-partnership bearing date 8th August, 1866, tabled and read, admitted by Mr. Montgomery. (Appendix B.)

*Moderator to Mr. Budd.—Q.* When did this business commence? *Ans.* Immediately.

*Q.* Are you aware whether any profits were made previous to 1st April, 1867, and if so, how much? *Ans.* I do not know.

*Q.* Was there any other capital put into the business than the \$15,000 put in by yourself? *Ans.* None.

*Q.* Had you any other means at that time? *Ans.* Had other considerable means at that time, but invested.

*Q.* Were you aware at that time that the statement just read had been given into the Union Bank? *Ans.* Yes.

*Q.* Did you take any means to verify the statement? *Ans.* No.

*Q.* By which partner was that statement handed into the Union Bank? *Ans.* I do not remember.

*Q.* Were you aware of the purpose for which it was given? *Ans.* To enable the firm to get larger discounts, some of their paper having been refused.

*Examined by Mr. Menzies.—Q.* Can you give any idea of what you were worth at the time of entering the co-partnership? *Ans.* When I came here, a year before I was worth about \$70,000, or more. Was worth something less when I entered the co-partnership.

*Q.* Was this sum all in money, or how invested? *Ans.* I had a steamer in Havana, worth \$36,000; also a barque, afterwards lost, cost \$21,000; Union Bank Stock, \$5,000, and \$20,000 in the Bank of England.

*By Mr. Neal.—Q.* Was the \$15,000 you put into the business taken out of the general sum? *Ans.* I cannot say positively.

*Cross-examined by Mr. Montgomery.—Q.* With respect to the object of the statement, was it not the fact that there was difficulty in getting the Union Bank to distinguish between W. L. Dodge & Co. and W. Montgomery and Co., and was not the object to show the good position of W. Montgomery and Co.? *Ans.* It was

*Q.* Did I not tell you that I had requested the Bank to take that as showing the good position of W. Montgomery & Co. as independent of W. L. Dodge & Co.? *Ans.* You did.

*Q.* Did the firm of W. Montgomery & Co. ask the Bank for a larger margin of discount than they already had, or to continue the amount already allowed? *Ans.* I do not know.

*Q.* Did you ever see the entries in the books, from which the statement is made? *Ans.* No.

*Q.* Did you ever see the inventory after it was taken. *Ans.* I can't remember.

*Mr. Bremner to Mr. Montgomery.—Q.* Did you give this statement to the Union Bank? *Ans.* I did.

*Q.* For what object? *Ans.* To show the condition of W. L. Dodge and Co. as distinct from W. Montgomery & Co.

*Q.* Do you know of any statement of W. L. Dodge & Co.'s which was given simultaneously to any of the Banks? *Ans.* Not at this time.

*Q.* Do you know of any statement of Dodge & Co.'s given at the same time? *Ans.* I understood that one was given but never saw it until about five hours ago.

*Q.* Had the furnishing of your statement any effect at the Bank? *Ans.* The Bank took our paper, endorsed by Wylde, Hart & Co., more freely.

*Q.* To what date was the statement made up? *Ans.* Principal data were taken from inventory that had been made on 1st April, 1869.

*Q.* Can you state how much profit was realized previous to 1st April, 1869? *Ans.* No, the books were not balanced till 18 months after commencing business.

*Q.* Did the profits in statement give the whole profits from commencement of business to 1st April, 1869? *Ans.* Yes.

*Q.* Was the inventory, in statement referred to, taken on 1st April, 1869? *Ans.* Yes.

*Q.* At what date were "unfinished contracts" taken? *Ans.* August 17, 1869.

*Q.* At what date "Amounts due from Individuals?" *Ans.* August 17, 1869.

*Q.* At what date were "Bills Payable" taken? *Ans.* August 17, 1869. This item included all bills payable except some for goods that had been imported a short time previously. Such goods were not included in the inventory.

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Q. Would the inventory as it stood on the 1st April, be pretty nearly the same as on August 17, 1869? *Ans.* Yes.

Q. Can Mr. Montgomery give any idea of the profits from 1st April to the 17th of August. *Ans.* Probably in the same proportion as previous year,—about \$3,000, but this was not considered in the statement.

Q. The balance of assets is \$43,062 28. How did this arise?

<i>Ans.</i> 1. Profits.....	\$26,689 75
2. Mr Budd's Capital.....	15,000 00
3. To Co. Stock Account.....	8,850 65

To explain this third item, Mr. Brammer asks respecting the item of "Machinery Fixtures," \$35,272. Of what items does this consist?

<i>Ans.</i> 1. Original purchase money of Machinery.....	\$13,000 00
2. Expended for new machinery to March, 1868...	10,315 73
3. Additions made by ourselves, labor, &c.....	8,850 65
4. " from March, 1868, to 1869.....	2,105 62
5. " " additional.....	1,000 00
	<hr/>
	\$35,272 00

Q. The question again put as to the source of the balance of assets?

<i>Ans.</i> W. L. Dodge & Co.'s bill for improvement of buildings..	\$1,680 52
Improvements to Real Estate.....	5,290 97

Making.....	\$ 6,971 49
To which add as above.....	50,540 40

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\$57,511 89

Less drawn by Mr. Budd and Mr. Montgomery to 1st April, 1869.....	14,469 61
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Balance.....\$43,042 28

Q. Were the items \$1,680 52 and \$5,290 97 included in the valuation of real estate in the statement given the Bank? *Ans.* No.

Q. Was the real estate so much more valuable? *Ans.* It was.

Q. Why did you not put the real estate at its increased value? *Ans.* We did not keep our working profits distinct from what we expended on "Real Estate and Buildings," the expense of repairing buildings went into the general merchandise account. I consider it unwise for a manufactory to put down as profits what is expended on repairs to buildings or machinery.

Q. ~~What~~ this amount (\$6,971 49) not put into the item of merchandize? *Ans.* No, it was not. Statement of balance of assets \$43,042 28 shown to include \$6,971 49, said balance balancing account rendered.

Q. How does not this amount appear in said statement as part of the assets of said statement? *Ans.* This item does not appear separately in any of our Ledger accounts, the other items all do; but it is necessary to account for the surplus of \$43,042 28, after drawing our living expenses, and to produce a true balance.

*Mr. Bremner, continued.*—Mr. Montgomery has stated the items by which the balance of assets being \$43,042 28 is made up, in which no account is taken of the liabilities. *To Mr. Montgomery.*—Q. Do you mean that this is a correct method of showing how such assets are made up?

The hour for adjournment having arrived—the answer to the above question was deferred—the Minutes were read over and signed by the Moderator as approved, the Benediction was pronounced and the Session adjourned to meet on the following evening at 7 o'clock.

(Signed),

G. M. GRANT, *Moderator.*

G. MACLEAN, *Clerk.*

FEBRUARY 4th, 1873.

*Sederunt*—Same as on last evening excepting John McLean. Resumed consideration of the question left unanswered from last evening.

On the question being again read, Mr. Bremner stated that the question had been put by him under an entire misapprehension of the answer to the previous question.

Mr. Montgomery here submitted a memorandum explanatory of statement to Union Bank. (Appendix C.)

Mr. Bremner also submitted a paper which was read by the Moderator, said paper being a deduction from facts elicited at last night's examination, to be answered by Mr. Montgomery instead of continuing the questioning further under the first charge. (Appendix D.)

Mr. Montgomery objected to the statement of Mr. Bremner being put on record.

1st. Because it refers to an investigation not complete.

2nd. That Mr. Bremner has no right to make a statement till all facts are brought out and fully explained.

Mr. Montgomery now read the following

STATEMENT.

Testing correctness of surplus amounting to \$43,042 28.

Original Investment.....	\$15,000 00
Profits on Business as shown.....	26,689 75
" enhanced value of Plant.....	8,850 65
" " " Real Estate..	6,971 49
	<hr/>
	\$57,511 89
Deduct Amount withdrawn.....	14,469 11
	<hr/>
	\$43,042 28

*Mr. Bremner to Mr. Montgomery.*—Q. Are the two items \$8,850 65 and \$6,971 49 in the list of assets in the statement to the Union Bank? *Ans.* They are in some form or other.

*Mr. Menzies to Mr. Montgomery.*—Q. Do the words in items 3 and 4 of assets in statement to Union Bank, viz., "Cash paid for," &c., admit of the

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including in such items an enhanced value, and not the real price paid?  
*Ans.* The question was asked by one of the Directors of the Union Bank after the failure of Dodge & Co., and the answer was that the items represented the actual cash value at the time.

*Mr. Budd to Mr. Montgomery.—Q.* With reference to second item of liabilities, viz., \$7,746—is this separate from the capital put in by me? *Ans.* It is.

Examination on first count here closed.

The Session proceeded to take up the second count in the libel which was read.

*Moderator to Mr. Budd.—Q.* Do you offer yourself as a witness in support of these charges? *Ans.* Yes.

Certified copy of statement tabled. (Appendix G.)

Mr. Montgomery requested permission to make some remarks in reference to the matter now introduced, to facilitate the work of the Session, and to explain the origin of the statement now to be examined. Mr. Montgomery proceeded. The statement originated in consequence of remarks made by a number of the creditors of T. G. Budd and W. L. Dodge & Co., that they were led to believe that Mr. Budd had a very large amount invested in the business of W. Montgomery & Co. At the first meeting of the creditors of W. L. Dodge & Co. (Nov., 1869), I urged the appointment of a Committee to investigate the state of the business. H. N. Paint, Levi Hart and Rueben Hart, were appointed for this purpose by the creditors. To guide them, I prepared that statement; and, as mentioned in the statement itself, it was an exact transcript of the Ledger, without reference to profit and loss.

*Mr. Bremner to Mr. Budd.—Q.* Did you know how your account was kept in the books of W. Montgomery & Co.? *Ans.* I saw the account from time to time.

*Q.* Were you aware that the sum of \$3,200 avowed profits was put to your credit on 1st July, 1867? *Ans.* Yes.

*Q.* Were you aware that the entry was reversed at the end of the same year? *Ans.* No; not at the time; but I saw it some time afterwards.

*Q.* Do you know why that entry was reversed? *Ans.* No.

*Q.* Did you not ask why it was reversed? *Ans.* Yes.

*Q.* What was the reply? *Ans.* Mr. Montgomery said that he had not credited himself with a like amount, and would wait until he had made another balance.

*Mr. Budd cross-examined by Mr. Montgomery.—*Mr. Montgomery handed to Mr. Budd a statement in his own writing, and asked,

*Q.* Did you not hand that statement to the book-keeper, as a memo. of your account, at the date on the statement, viz., 1st July, 1867? *Ans.* Yes; but it was a partial account.

*Q.* Is not the item \$3,200 in it dated 30th June, 1867, the same as the one now being examined on? *Ans.* I don't think it is.

**Q.** Did you not ask the book-keeper to make the entries in the ledger correspond with that statement, and were not nearly all the entries in the ledger made from statements furnished by yourself? *Ans.* No, to the first point, and to the second, I am not aware.

**Q.** If the \$3,200 is not the same item, is there any other item in your account of \$3,200? *Ans.* I kept no account with Mr. Montgomery. I kept merely a memo. of what money he owed me.

**Q.** Is that account in your hand correct? *Ans.* I presume it is.

**Q.** If that account is correct, did it include all the credits W. Montgomery & Co. were bound to give you at the time? *Ans.* No. It had no reference to the entire business of W. Montgomery & Co.

**Q.** Was that statement a full account of your individual transactions with the firm? *Ans.* No. It was a specific account.

**Q.** Will you look at the ledger and say whether the item shown in the ledger is the same as the one now in question? *Ans.* (Mr. Budd looking at the ledger). I presume it is.

**Q.** Had the books been balanced before that entry was made? *Ans.* I do not know.

Mr. Montgomery now makes his statement in regard to the point under consideration, as follows:—

That nearly all the entries in Mr. Budd's account in the books of Wm. Montgomery & Co., were made from statements furnished by Mr. Budd in his own hand writing, which statements I now hold in my hand, and table—endorsed T. G. Budd's statement of Cash account, 1st July, 1867. (Appendix E.) Amongst the items is this one of \$3,200, put down in the same account with "cash loaned." This amount was put down for the purpose of making a larger balance to his credit, and is included in the note of \$7,746, which he took from us bearing interest. The entry of \$3,200 to his credit was made by the book-keeper before I was aware of it, and I objected to its remaining in that form, as the books had not been balanced, and we could not ascertain what the profits were. That entry was reversed long before the statement to the creditors was made, viz., in Dec., 1867.

*Mr. Bremner to Mr. Montgomery.—Q.* Why was there no profit credited to Mr. Budd in the account given to the creditors? *Ans.* The object of the account was to show what Mr. Budd put into the concern, and what he had taken out. The account states so on its face.

**Q.** Did you not cause yourself to be credited with an amount of \$14,291.66, which reduced the amount due by you to the business to the amount shown in the books at the time they were examined by the creditors? *Ans.* There is just one entry of profit and loss in the ledger to each of the partners, made on 1st April, 1869, and that was \$13,344.87, or one-half of the profits given in the statement to the Union Bank.

**Q.** Mr. Bremner repeats the question, and asks for a specific answer. Mr. Montgomery replies:—There is no such entry in the books.

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*Mr. Menzies to Mr. Montgomery.*—*Q.* Did Montgomery & Co. give a note to Mr. Budd including the \$3,200, although disputing the propriety of the entry being made at the time? *Ans.* Yes.

*Mr. Menzies to Mr. Budd.*—*Q.* What led you to fix upon that sum as the probable amount of profits due you at the time? *Ans.* I wished to make up the sum of \$7,746, and was short \$3,200. I did not intend this to be debited as profit and loss, but debited for my family use.

*Mr. Menzies to Mr. Montgomery.*—Looking at the Act of Co-partnership, the following words occur:—"The Profit and Loss to be ascertained annually," &c.

*Q.* Had the books of the firm not been balanced previous to 1st April, 1869? *Ans.* They had been.

*Q.* Why was not an entry of profit made at the previous balance. *Ans.* The profits of the concern were carried to the Stock account, \$17,527.27, on March 31st 1868, but no credit was given to the individual partners at the time. I did not consider it necessary; but next year it was done.

*Mr. Neal to Mr. Budd.*—*Q.* Did you require this sum (\$3,200) to make your own private account balance? *Ans.* I did.

*Mr. Budd to Mr. Montgomery.*—*Q.* Why did you not debit my account with that \$3,200, seeing that I wanted it? *Ans.* The entry was made by the book-keeper, solely at your own dictation.

*Mr. Budd.*—I deny that I desired the book-keeper to make these entries. I never gave the book-keeper any entries. I depended for a correct statement of account on Mr. Montgomery, who had the management of the business.

*To Mr. Montgomery.*—You state that, on 1st April, 1869, \$13,244.87 was credited to my account in the books. Why does not that amount appear in the statement of my account handed in to the creditors? *Ans.* The statement to the creditors did not refer to Profit and Loss, and was intended to meet allegation that Mr. Budd had invested a much larger amount in the business than he really had. The Committee of creditors, to whom the statement was made to guide the Committee, had also access to the books, and knew therefore of the item of Profit and Loss credited to Mr. Budd. The Assignee also sent down an accountant, who stated that he wished to examine the account himself for his own satisfaction; and he understood thoroughly the state of the account of Mr. Budd, and the statement, when submitted at the final meeting of creditors, was not objected to by Mr. Budd on any one clue, on account of the profits not being included.

In answer to a question by the Moderator, Mr. Budd replies:—That, if he did not object to anything particular in the account, he protested against the settlement as a whole.

*Q.* Did you protest individually or by attorney? *Ans.* I think individually.

The Examination on the 1st Section of 2nd Count here concluded.

## EXAMINATION ON 2ND SECTION OF COUNT NO. 2.

"Credit for interest unjustly omitted." Articles of Co-partnership here quoted shewing that interest was to be allowed.

*Mr. Bremner to Mr. Budd.—Q.* Was interest allowed you on amount drawn by you short of the \$3,500 allowed annually by the Articles of Co-partnership? *Ans.* No.

*Q.* Will you look at your account and explain entry of interest in June, 1867, viz., \$92 64? *Ans.* I think it was on account of borrowed money.

*Q.* Are you certain it was not on account of short drawings? *Ans.* I am morally certain it was not.

*Q.* Look also at entry to your credit, 5th Nov., 1867, \$48 57, and also to your credit, December, 1867, \$116 82, also to your credit, November, 1867, \$76 25, also credit June, 1868; will the same answer apply? *Ans.* I think they were all for borrowed money.

*Mr. Bremner to Mr. Montgomery.—Q.* Did the profits of the business amount to \$3,500 annually for each partner. *Ans.* They did for the first two years.

*Q.* Did they for the subsequent years? *Ans.* They did not.

*Q.* Was Mr. Budd allowed interest on the amount short drawn? *Ans.* There was no adjustment of co-partnership business between us.

*Mr. Menzies to Mr. Montgomery.—Q.* Did you not consider that the Articles of Co-partnership entitled Mr. Budd to such interest on amount short drawn. *Ans.* Certainly.

*The Moderator to Mr. Montgomery.—Q.* Has Mr. Budd ever received any allowance for interest. *Ans.* No.

Mr. Montgomery here states that he was aware that no interest had been allowed in the account, as it was not intended as an adjustment of co-partnership business, and, at the time that that statement was made up, Mr. Budd's account was overdrawn.

*Mr. Bremner to Mr. Montgomery.—Q.* Was Mr. Budd ever allowed interest on the note for \$7,746, 1st July, 1867, then charged to him, and relinquished by him, 16th Nov., 1870? *Ans.* He was not allowed interest on that note.

Section 2nd of Count No. 2 here concluded.

## SECTION 3RD OF COUNT NO. 2.

*Mr. Bremner to Mr. Budd.—*On 20th July, 1870, \$3,603.25 unjustly charged, &c.

*Q.* What is your objection to the charge stated? *Ans.* The same amount is included in a subsequent charge.

*Q.* Do you know of any reason why this amount remained at your debit as well as the subsequent amount? *Ans.* The two notes making up the amount of \$3,603 25 were payable first, and were paid; but these notes being in Charleston could not be immediately returned.

Q. Had these notes been returned to Montgomery & Co., at the date on which the statement was made out? *Ans.* They were not returned.

Q. Who was responsible for the payment of those two notes? *Ans.* W. Montgomery & Co.

Q. Did Montgomery & Co. give you funds to pay those notes? *Ans.* They gave me the face value without interest.

Q. Did Montgomery & Co. know that the notes would not be returned until the interest was paid? *Ans.* I do not know.

Q. What guarantee had Mr. Montgomery that those notes were paid by you? *Ans.* When I remitted the money to the holder, he came on here.

Q. Can you positively say whether Mr. Montgomery knew of the payment of those notes previous to the date of the statement? *Ans.* I cannot say.

*Mr. Bremner to Mr. Montgomery.—Q.* Can you explain how the \$3,603 25 remained charged against Mr. Budd at the date of the statement? *Ans.* This charge was the first entry made to the debit of Mr. Budd, on account of those notes which were given in January previous. At Mr. Budd's request they were not entered in the books, but I took a receipt for the notes which I now lay on the table. This entry was made according to that receipt, charging him the notes when paid, and the same entry would have been made of all the notes as they fell due, but after this was paid I discovered the condition of Mr. Budd's affairs and immediately charged all the notes to him. I had no notice of that note being paid till after Mr. Budd's assignment, when Mr. Chuzal came on to look after his interests. He then gave me as a reason why the note was not returned, that he was not informed as to which note the exchange was to be applied, W. L. Dodge & Co. having notes of a like amount falling due at the same time, which were not paid. On my representation being made to him, he gave up the note which was then passed, to Mr. Budd's credit in the ledger. This occurred after the date of the statement. I had also reason for apprehending that the note was not paid. I was the first person who called Mr. Budd's attention, and also Mr. Harvey's, to the entry of the note and stated that it would be credited when returned.

Q. At the time this statement was made, was there no other portion of these notes due? *Ans.* No.

Mr. Budd here stated that he had no remembrance of Mr. Montgomery ever pointing out to him and Mr. Harvey as stated above.

*Mr. Montgomery to Mr. Budd.—Q.* Do you not remember being in my office with Mr. Harvey after your return. *Ans.* Yes.

Q. Did I not, on that occasion, ask you to point out anything in the accounts that appeared to be erroneous? *Ans.* I did not see the accounts.

*The Moderator to Mr. Budd.—Q.* Do you remember anything that passed on that occasion. *Ans.* I remember nothing positive.

*Mr. Montgomery to Mr. Budd.—Q.* Do you recollect of Mr. Harvey stating that he brought you down purposely that we might talk the matter over face to face? *Ans.* Yes, I do.



*Q.* Did I not then point to the books of W. Montgomery & Co., lying on the table, and say to you, "Now is the time if there is anything to be objected to to make the objection?" *Ans.* I will not say that you did not, but I do not remember distinctly.

The examination on 3rd Section of Count No. 2 was here closed.

(Signed),

G. M. GRANT, *Moderator.*  
GEORGE MACLEAN, *Clerk.*

FEBRUARY 5th, 1873.

*Sederunt.*—Same as last meeting.

Section 4 of Count No. 2 was now taken up.

Mr. Menzies made application in behalf of Mr. Budd, that Mr. Budd be permitted to examine W. Montgomery & Co.'s books. Leave granted.

*Charge.*—That on 30th Nov, 1870, \$884 07, balance of W. L. Dodge and Co.'s account was charged to Mr. Budd, &c.

*Mr. Bremner to Mr. Budd.*—*Q.* Why do you object to the debit in your account of this sum of \$884 07? *Ans.* Because it should have been debited to W. L. Dodge & Co.

*Q.* Will you look at the statement and see there to your debit on March 31, 1869, \$2,257 82 balance of W. L. Dodge & Co.'s account transferred. Is not that amount transferred on the same principle as the one complained of? *Ans.* As a usual thing Dodge & Co. gave a note to W. Montgomery & Co., for their indebtedness, but sometimes I requested Mr. Montgomery to debit the amount to me instead.

*Q.* Was there no general understanding to transfer such balances to your debit without special permission? *Ans.* No.

*Q.* Did you give permission to transfer the amount complained of? *Ans.* No.

*Mr. Menzies to Mr. Budd.*—*Q.* Were you in Halifax when that entry was made? *Ans.* Yes.

*Mr. Montgomery to Mr. Budd.*—Was that entry made after your failure? *Ans.* Yes.

*Q.* Will you look at the Ledger and say when W. L. Dodge & Co. gave W. Montgomery & Co. a note for merchandise? The account shows an entry, January 6, 1870, Cr. by Bills received, \$1,424, and other entries in the same year.

*Q.* How many transfers of W. L. Dodge & Co.'s account appear in the Ledger to the debit of T. G. Budd? *Ans.* In February, 13, 1868, \$1,104 and March 31, 1869, as previously stated.

*Q.* Did you ever request W. Montgomery & Co. to take a note rather than have the amount transferred to your private account? *Ans.* I don't remember.

*Q.* Was it not always the case when W. Montgomery & Co. received a note that it was at their own request? *Ans.* I don't remember.

*Mr. Bremner to Mr. Montgomery.—Q.* Had you Mr. Budd's permission to transfer the amount complained of to his debit? *Ans.* No special permission was given to transfer that amount; it was transferred in accordance with usual custom.

*Q.* As the firm of W. L. Dodge & Co. was insolvent at the time, was it not necessary to get permission of Mr. Budd's Assignee to transfer the amount? *Ans.* No, as a matter of account it was not, although, if there had been no settlement, the Assignee could have legally objected to the transfer, and it would have increased the liabilities by that amount.

*Q.* If, as previously stated, Mr. Budd's account was overdrawn, what was the object in charging Mr. Budd's account with this amount? *Ans.* The charge had no reference to overdraft, but was made because it was a proper entry according to our usual custom.

*Q.* Did not W. Montgomery & Co. sacrifice their claim against Dodge and Co. by making that transfer without the prospect of getting any equivalent? *Ans.* It had no legal effect, it was a mere matter of account to show how Mr. Budd stood with W. Montgomery & Co.

*Q.* Had W. Montgomery & Co., a legal right to charge Mr. Budd with the amount due by W. L. Dodge & Co.? *Ans.* We had the same right that we had to make previous charges of a like nature—in my opinion.

*Q.* Do the three sums transferred from Dodge & Co.'s account to the debit of Mr. Budd represent all the work done for or merchandise sold to Dodge & Co.? *Ans.* No.

*Mr. Menzies to Mr. Montgomery.—Q.* Was the amount now under consideration credited to W. L. Dodge & Co. when transferred to Mr. Budd's account (\$884)? *Ans.* Yes.

*Q.* Did you in the meantime, and before any transfer was made, make any claim against Dodge & Co.'s Estate for that amount? *Ans.* I did file a claim including that amount.

*Q.* Would not that in effect be charging the amount to both accounts? *Ans.* It appeared on both accounts as a matter of record, but not for the purpose of setting up a claim on both accounts.

Examination on the 2nd charge here closes.

The consideration of 5th section of Count No. 2 was deferred till the close of the examination, when it would be taken up if either party demanded it.

Mr. Bremner requested permission to offer some further evidence on Count No 2 in general. Mr. Montgomery protested. The Moderator ruled request as in order. Mr. Montgomery repeated his protest, on the ground that Mr. Bremner, as a member of the Court, had no right to receive outside of the Court any evidence to be adduced upon points already closed by the Court.

The Court having allowed Mr. Bremner to proceed, the following questions were put by him to Mr. Montgomery :—

Q! Will you state what was the amount of profit made by the firm (W. Montgomery & Co.) between 1st April, 1869, and 1st December, 1870? *Ans.* \$3,418 33.\*

Mr. Bremner here tabled the original account against Mr. Budd handed to Mr. Harvey, the official Assignee, with Mr. Harvey's affidavit. (Appendix G.)

Mr. Montgomery repeated his protest against the Court receiving the affidavit of Mr. Harvey as to the object for which the statement was handed in.

Mr. Bremner tabled a letter from Mr. Montgomery, addressed to Mr. Harvey, Official Assignee, dated 6th January, 1870, which letter was read and put on file. (Appendix H.) Mr. Bremner continued,—

Q. Mr. Montgomery states, in his letter, that Mr. Budd was indebted to the firm of W. Montgomery & Co., \$1,624 51. (*To Mr. Montgomery.*)—How does that balance arise? *Ans.* It is impossible now to state how that balance arose. The statement was correct at the time to the best of my knowledge.

Mr. Bremner, handing Mr. Montgomery the account proceeded.

Q. It is stated there that Mr. Budd is indebted to the firm of W. Montgomery & Co., \$4,576 91, but there is a charge on July 20, of \$3,603 25 which amount or thereabout was to be credited back to Mr. Budd as included in the amount of \$14,225 80, charged 1st Nov. Did you not deduct that amount before you made your claim \$1,624 51, in your letter to Mr. Harvey? *Ans.* Yes.

Q. Did you not admit that on 1st April, 1869, there was put to Mr. Budd's credit as, profit, \$13,344 87? *Ans.* Yes.

Q. Does Mr. Montgomery also admit that there were profits subsequent to 1st April, 1869, of \$3,418.33? *Ans.* Yes.

Q. Was not Mr. Budd entitled to one-half that amount? *Ans.* Yes.

Q. Was not Mr. Budd entitled to credit for those profits in all amounting to \$15054.33? *Ans.* Yes.

Q. Was it right to represent in your letter to Mr. Harvey, Mr. Budd, as a debtor when the profits were included he would have a large sum due him? *Ans.* It was perfectly right, for Mr. Harvey understood, as I supposed, that no profits were considered in the account any more than in the previous general statement.

Q. Is Mr. Montgomery aware that this letter was produced at a meeting of W. L. Dodge & Co., creditors? *Ans.* Certainly—it was intended for that purpose.

Q. Can the language in your letter "waiving a claim against Budd" be

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\* On the Minutes being read over at the close of this sitting (5th Feb.) with reference to the answer given to the above question, Mr. Montgomery requested to be allowed to add—That the profits of \$3,418.33 were up to April 1st., 1870, but the account of Profit and Loss shows two entries to debt subsequently, viz.: \$3,056.54, and \$1,366.27. So within the time covered by the question there was no profit, but actual loss.

reconciled with the answer which you have now given to the question preceding the last two? *Ans.* It is perfectly consistent in my mind.

*Q.* As Mr. Budd was really a creditor by the accounts to the amount of over \$13,000 and the amount claimed against Mr. Budd in the letter to Mr. Harvey is \$1,624.51, and against Dodge & Co., \$3,180.72. How was it possible for Mr. Montgomery to waive a right to a claim against an estate to which the firm were a debtor instead of a creditor? *Ans.* I decline to answer on the ground that I expect to go into this matter again in a regular manner.

Mr. Bremner here tabled Mr. Montgomery's attested account against W. L. Dodge & Co. Appendix I., and continued.

*Q.* Is the amount charged 12th Nov. 1870 \$1,025.75 the same as that charged on the same date to Mr. Budd? *Ans.* It is.

*Q.* Is the amount charged 1st Dec. 1870, the same as that charged to Mr. Budd's account on same date? *Ans.* It is.

(Signed)

G. M. GRANT, *Moderator.*

GEORGE MACLEAN, *Clerk.*

February 6th, 1873.

Sederunt: Same as last, except Mr. Knight.

The Moderator, referring to the general count—2nd Division—stated that the further consideration of Mr. Budd's account would be deferred by consent of the court.

Mr. Menzies moved that parties withdraw for a few moments, in order that the court may consider the remaining charges, with a view to facilitate the duty of the court.—Approved.

Parties were requested to retire for a few moments, which they did accordingly.

Mr. Menzies moved that, with respect to counts III. and IV., the court consider it necessary to take up only section No. 6.—Carried.

The parties having again appeared, the Moderator stated the above decision, and explained the same.

The court then took up Section 6, Count No. 3.

*Mr. Menzies to Mr. Budd.—Q.* Did the Articles of Co-partnership provide that interest should be allowed or charged to either party, according as their several accounts might run? *Ans.* Mr. Budd read from articles showing that interest was to be charged.

*Q.* Were you aware that that part of the co-partnership was not carried out? *Ans.* Yes.

*Q.* Was it with your consent? *Ans.* No.

*Q.* When did you become aware that it was not carried out? *Ans.* I cannot tell when.

*Q.* Did you remonstrate or object to the violation of the Article of Co-partnership on this point? *Ans.* No.

*Q.* Was it possible for this provision of the Article of Co-partnership to be carried out without an entry of profit and loss to the several parties? *Ans.* No.

*Q.* Were you aware that Mr. Montgomery was drawing apparently in excess of his proportion of profits since April, 1869? *Ans.* I was not aware.

*Q.* Did you not consider it your duty as a partner to see that the accounts were faithfully kept with each partner? *Ans.* Yes.

*Q.* Did you take any means to ascertain whether this article of the co-partnership was carried out? *Ans.* No.

*By Mr. Neal.—Q.* Does Mr. Budd remember any particular instance when he asked Mr. Montgomery to balance the books and was put off? *Ans.* I do not.

*By the Moderator.—Q.* But are you sure that you were put off? *Ans.* Yes, once or twice.

*Cross-examined by Mr. Montgomery.—Q.* Is Mr. Budd not aware that, 18 months after the business commenced, viz., on March 31st, 1868, the books were balanced, a complete inventory taken, and that the balance showed, as a result of the operation, profits amounting to \$17,527.27, and that the same process was gone through every year? *Ans.* I don't remember.

*Q.* Is Mr. Budd aware that, on March 31st, 1869, the balance showed a profit of 9,162.48? *Ans.* I don't remember.

*Q.* Is Mr. Budd aware that, at the same time, viz., April 1st, 1869, that his private account was credited with \$12,344.87—being one-half of the profits ascertained at that date? *Ans.* No; I don't remember.

*Q.* Will Mr. Budd look at the Ledger and see if these entries do not appear? *Ans.* (Mr. Budd looking at the ledger.) I see these entries now.

Mr. Menzies here handed an account to Mr. Montgomery, and asked Mr. M. if he recognized the writing. *Ans.* I do not.

*Q.* Is it not that of Mr. DeWolf, formerly book-keeper with you? *Ans.* I would not recognize it as his writing.

*Q.* Looking at your private account in your books—by whom was the account kept? *Ans.* By Mr. DeWolf up to May 1st, 1870, and subsequently by Mr. Cook.

*Q.* The account shows a balance of \$9,907.20, March 31st, 1869, drawn by Mr. Montgomery. *Ans.* Yes.

*Q.* The account also shows that there was drawn during that year, about \$4,000. *Ans.* Yes.

*Q.* Looking at the next 13 months, that is from March, 1869, to April 1870, state what your drawings were. *Ans.* \$6,800.

*Q.* State what was drawn from 30th April, 1870, to the close of the partnership, Aug. 31st, 1870? *Ans.* \$851.27.

*Q.* Will you state now your drawings during the first 20 months of the business? *Ans.* \$5,943.77.

*Q.* State now the various sums credited from time to time to your privat



account from profit and loss? *Ans.* There is only one credited during the co-partnership, viz., 1st April, 1869—\$13,344.88.

*Q.* Then that account shows that you occasionally overdrew more than the \$3,500 allowed by the co-partnership? *Ans.* Yes.

*Q.* Was Mr. Budd, in your opinion, ever aware of these overdrafts? *Ans.* Most certainly he was. He had free access to the books, and examined them often.

*Q.* Did he give you a written consent to make these overdrafts? *Ans.* He did not.

*Q.* No charge of interest is made by you on these overdrafts. *Ans.* No.

*Q.* Were you aware of the existence of these overdrafts at the time? *Ans.* I was not aware of any overdrafts till January, 1870.

*Q.* When you became aware of these overdrafts, did you instruct the book-keeper to charge interest? *Ans.* There was no balance of books after I was aware of the overdraft, until after the failure of Dodge & Co.

*Q.* Were you not aware on March, 1869—when the books were balanced—that there was an overdraft? *Ans.* The overdraft then was only \$573.20.

*Mr. Montgomery continued.*—I wish to state here, that there was no adjustment of co-partnership interest with either of us during the continuance of the co-partnership.

Mr. Menzies here asked permission to include Count No. 5, with this examination, as it bore on the same subject.—Agreed to.

*Mr. Menzies continued.*—*Q.* In that count, you are charged with drawing \$9,504.87. between 1st April, 1869, and 31st Aug., 1870? (Mr. Montgomery.) I decline to answer until I know on whose authority that charge is made.

The court considered the question, and decided that there was no objection to giving Mr. Montgomery the information required.

*Mr. Menzies.*—The charge is deduced from a document placed in the Committee's hands by Mr. Harvey, which document was now tabled, (Appendix E.).

The question was again put as before. Is that amount correct? *Ans.* It is not.

*Q.* What was the amount drawn during that time? *Ans.* \$6,834.64.

*Q.* A sum of \$13,344.88 was credited to you from profit and loss, on 31st March, 1869,—was that credit not in excess of what the Articles of Co-partnership allowed? (Question withdrawn.)

*Mr. Bremner to Mr. Montgomery.*—*Q.* There is a difference between the amount given by Mr. Montgomery as drawn, and the amount actually appearing in the books during the 17 months referred to, said difference being principally caused by bills payable, \$1,604.34, given on Mr. Montgomery's account by the firm, but not paid in that period. Was not the firm responsible for these notes. *Ans.* These notes were not given within the period stated, although they appear on the books as a matter of record. They were renewals.

*Q.* Do they appear oftener than once in the account? *Ans.* The first note was for nine months. When that matured, there was a small payment made, and the balance was renewed for 18 months.

The preceding question was again put. (Mr. Montgomery.) They do not appear more than once in that period.

*Q.* Did these notes appear previous to 1st April, 1869? *Ans.* They do not.

*Q.* Was not the firm responsible for these notes? *Ans.* It was, but with Mr. Budd's knowledge and consent. They were drawn in such a way that, when paid at maturity, they would not overdraw my account.

*Q.* Still, that does not affect the responsibility of the firm? *Ans.* Certainly not.

*Q.* Does there not appear also in Mr. Budd's account to his debit, a large sum represented also by notes unpaid. *Ans.* Yes.

Mr. Montgomery here made the following statement:—That between the periods stated in count No. 5, Mr. Budd drew from the concern (1st April, 1869, to 31st Aug., 1870), \$15,309.89. Previous to 1st April, 1869, he had drawn \$4,562, and subsequently, to August, 1870, and up to December, 1870, \$3,855.35. Total, \$23,727.65. That this total was actually drawn, with the exception of \$3, between June 25, 1868, and the end of December, 1870; and that the largest item consists of four notes drawn payable with interest—payable in American gold—prem.  $2\frac{1}{2}$  per cent., the face amount of notes being \$14,225.80. The notes were given by me at the urgent and repeated solicitation of Mr. Budd, who had pressed me to give notes for just twice that amount, which request I resisted until Mr. Chuzal, the representative of the Charleston Importing Company, came to Halifax with a claim against Mr. Budd, amounting to about \$30,000, and demanded a settlement. Knowing that this was distressing Mr. Budd for months previously, and as he stated to me that he would be perfectly contented, if that Charleston matter was only settled and off his mind, I consented to give him notes for an amount about equal to his original capital, provided they would be payable at such dates as would give the firm time to meet them in case of need. After using my best services with Mr. Chuzal, he agreed to take notes drawn payable in 6, 12, 18 and 24 months, and an equal amount to be given him by the firm of Dodge & Co. I knew at the time that I was doing wrong; but Mr. Budd agreed to give his interest in the concern as security, and also agreed to give up the note for \$7,746 and have it credited to him. I was actuated solely by considerations for Mr. Budd's interest, hoping it would free his mind from anxiety. So far from this being the result, from this date he grew worse as to his state of mind. I could not get him to take any interest whatever in the business. On the contrary, he busied himself misrepresenting me to our largest creditors; and, after a while, he refused to sign renewal notes on the very day that I relied upon his doing so. He remained at home. Sometimes I could not see him for weeks; and, during the month of August, 1870, I discovered that he was unfit for any kind of business, and I here distinctly avow that his conduct

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nearly put a stop to our business—the bank having thrown out some paper ; and parties who had formerly freely given us their paper when required, stated distinctly to me that no additional accommodation would be given, and that the amount already outstanding must be reduced. And, during July, 1870, business called me to Prince Edward Island. On my return, my book-keeper told me, as he had done several times previously, that parties “across the way”—meaning Dodge & Co.—were working very much against my interest. I did not pay much attention at the time ; but my foreman told me that Dodge informed him that “they” (meaning Mr. Dodge and Mr. Budd) had been up at Mr. Ritchie’s asking his advice as to how they could get me out of the concern of W. Montgomery & Co. I could not believe it, and immediately went up to see Mr. Ritchie myself, who informed me that such was the case, telling me that they represented to him that we owed them large sums of money which they could not get. I would here state also that the first really angry word used by Mr. Budd to me, was uttered in my office early in August, when he said : “I will throw you into bankruptcy,” in the hearing of my clerks and others who were there. I afterwards wrote him the following letter, dated August 10th, 1870. (Mr. M. here read the letter). To this there was no reply ; and, about a month afterwards, when a note became due, I wrote him on 15th Sept., as follows—he having refused to sign a renewal note. (Mr. M. here read the letter). No reply to this letter. Next day, I wrote him as follows—(Mr. M. here read the letter). No reply to this letter. Shortly after this, I discovered that Mr. Budd was at home very sick. I sent my wife over to see what the matter was. She informed me. I then went over in the evening, called on my sister. After conversing with her, she asked me if I would not go up and see Thomas, and talk to him as a brother. I did so. I made no recrimination : but said if he had anything against me, he ought to state it to myself. We parted as friends, he agreeing to come to me if anything required explanation in future. The Doctor said to me that Mr. Budd should be sent away. We urged him to go, and I told him to give himself no anxiety about the business, as I would attend to it during his absence. A few days after he left, Dodge & Co.’s book-keeper came to me, and said that he had a note of \$1,500 due that day, which was held by W. Chisholm, and he refused to renew it. I went up to see Mr. Chisholm. He would not renew their paper, but said he would take mine. I willingly gave it without suspicion. In a day or two afterwards—about one o’clock—the book-keeper came across again to my office, and stated that a note about the same amount, held by Wilkinson, Wood & Co., was due that day, and they absolutely refused to renew. I saw Mr. Wood. He refused, but said he would take my paper. I then asked him for the reason. I gave my paper for the note ; and, I think, within a day or two after this, the book-keeper came across, and said they had no money to pay their hands. I advanced the money, he agreeing to pay me out of money he expected to get in. I then told him he must give me a list of their maturing liabilities. And I think that, afterwards, there was a note with Mr. Black’s name, and he also

refused to assist them. I then asked if he had the list I spoke of. He said he had not time to make it out. I asked for the bill-book, and said I would make it out myself. And in half-an-hour, to my utter amazement, I discovered that the firm was bankrupt, unless Mr. Budd could raise funds during his stay abroad.

I waited patiently for five weeks; and, in the meantime, the city was being filled with rumours. Banks refused to discount my paper. I waited for Mr. Budd's return. I met him at the Railway depot—made no reproaches to him. My advice was to face the situation with manliness; and I continued the same line of conduct towards him till after the settlement with the creditors. Previous to any of the property of Dodge & Co. being sold by the Assignee, I revolved in my mind how to get them out of the difficulty. I made up my mind how I could take up the concern by paying the liabilities at fifty cents in the dollar, leaving Mr. Budd's private means intact. I told Mr. Wyld and Mr. Black my plans; and I believe I could have settled the affairs that way. I spoke to Mr. Budd about it. He discouraged the undertaking, and I therefore abandoned it.

And I wish to state, in conclusion, that, since the time the creditors accepted my proposition, Mr. Budd has not entered my house, nor spoken to me till the other evening in this room, when he offered to make reconciliation. Members of my family continued to visit Mr. Budd's family, until they found that their visits were not returned. During his absence before the failure, instead of keeping his engagement and solemn promise to speak to me himself if he had anything against me, and while I was struggling to keep his business alive, he went to my aged father and shamefully misrepresented me, and blamed me for his failure; and what his conduct since has been, these proceedings show.

(Signed) G. M. GRANT, *Moderator*.  
G. MACLEAN, *Clerk*.

FEBRUARY 7TH, 1873.

Sederunt:—Same as on last evening.

#### SUBDIVISION 6TH OF COUNT NO. 4.

Mr. Menzies asked Mr. Budd to produce the letter of W. Montgomery, of August 10th, 1870—letter tabled and placed on file. (Appendix J.)

*Mr. Menzies to Mr. Montgomery.—Q.* At the date of this letter, what was the amount due Mr. Budd by your books? *Ans.* I cannot state this. It occurred in the middle of the year.

(This question was postponed).

Mr. Bremner, referring to a part of the examination that had been left unfinished, asks Mr. Montgomery:—

*Q.* Can you now give me the exact sums entered to Dr. and Cr. of profit and loss account at the end of each year, after 1st April, 1869?

*Ans.* On April 1st, 1870, a credit .....\$3,418.33  
“ December 31st, 1870, debit..... 1,356.27  
And..... 5,311.27

Our bills payable were reduced by this latter amount—compromised.

*Q.* Can you give me the principal items of which this loss is made up?  
*Ans.* One item, \$1,898.31—a number of small losses.

Another, 980.76—supposed to be due by Mr. B., carried into P. & L.

“ 3,500.00—depreciation of stock in machine shop.

The entries were made after the business was settled, so as to get it into shape.

*Q.* Was Dodge & Co.'s account charged to profit and loss? *Ans.* It was not.

After some conversation, this point was deferred for further consideration.

*Mr. John T. Wylde* now appeared as a witness; and *Mr. Montgomery* intimated that he wished to ask him some questions with respect to the settlement with the Assignee of Dodge & Co., on the basis of the proposition made to the creditors.

*Mr. Montgomery to Mr. Wylde.—Q.* Do you recollect being present at the meeting of creditors of W. L. Dodge & Co. and T. G. Budd, when a written proposition, made by me to the Assignee, was submitted to the meeting?

*Ans.* I was present.

*Mr. Montgomery* here read the letter, being the one previously read by *Mr. Bremner*.

*Q.* Do you recognize that as the letter read at the meeting of creditors?  
*Ans.* Yes.

*Q.* Was there any protest made by any of the creditors to the settlement on that basis? *Ans.* The only creditor who objected was *Mr. Black*; but his protest being afterwards withdrawn, the acceptance became unanimous.

*Q.* Before *Mr. Black* withdrew his objection, do you remember that I stated that I withdrew my proposition in consequence of *Mr. Black's* objection? *Ans.* I think that was the case, *Mr. Black* wished you to come under further liability, and you declined.

*Q.* Do you recollect what I stated in connection with my declining this point? *Ans.* You explained that it would be practically impossible.

*Mr. Bremner to Mr. Wylde.—Q.* When *Mr. Montgomery's* proposition was laid before the meeting of creditors, can you inform the court whether the meeting believed that the representation made by *Mr. Montgomery* was true? *Ans.* I believe so: because a Committee of creditors examined *Mr. Montgomery's* books, and reported that they appeared to show the result stated.

*Q.* Do you know if any of the creditors were aware that certain sums, being identical, were both in the account of Dodge & Co. and T. G. Budd respectively? *Ans.* I cannot say they were aware of such a circumstance. It is the first time I have heard of it.

*Q.* Have you any idea of the relative interest of the several parties composing the Committee, in the business of Dodge & Co. and Montgomery & Co. respectively? *Ans.* I cannot say. The Committee were selected from the general creditors, without reference to that, or anything but their suitability.



*Q.* Was any influence brought to bear upon Mr. Black to induce him to withdraw his opposition? *Ans.* No. I never heard that there was.

*Mr. Bremner to Mr. Wylde.—Q.* Do not the words "waive all claims," &c., in Mr. Montgomery's letter, imply that W. Montgomery & Co. were creditors, in fact, of Mr. Budd, before they could claim any title to rank on his estate?

Mr. Montgomery here objected to this question in its present form as calculated to mislead.

The court ruled that the question was in order.

Mr. Wylde then answers:—"The words might, in the abstract, imply as you have suggested, but I understood them as part of a general proposition, and I believe that the rest of the creditors understood them as I did.

*Q.* When a man speaks of "relinquishing a claim to rank on an estate," Does not that imply that he was an actual creditor? *Ans.* It would, if there was nothing else connected with it.

Is there anything in that letter that would lead anyone to suppose that W. Montgomery & Co. were otherwise than actual creditors of T. G. Budd?

*Ans.* The letter refers to previous negotiations that were all understood, and in the light of them, the creditors understood the letter.

*Q.* Do you mean to say that while the letter states that Mr. Budd was a debtor, that the meeting understood that he was a creditor of W. Montgomery & Co.?

Mr. Montgomery objects to the question as confounding Mr. Budd as a partner of W. Montgomery & Co., with Mr. Budd as related to the creditors of W. Montgomery & Co.

Mr. Bremner alters the form of his question thus:—*Q.* I want to know whether the meeting, when seeing it stated in this letter that Mr. Budd was a debtor of W. Montgomery & Co., were aware that, in his interest in the firm of W. Montgomery & Co., he was a creditor? *Ans.* They were.

*Q.* Do you think it probable, if the meeting knew that if there was a large difference in the interests of T. G. Budd and W. Montgomery in that firm (the first being a creditor and the second a debtor in the respective interests in the firm), they would have been willing to give up all claim to the interest of Mr. Budd in that firm? *Ans.* It would depend upon the account.

*Q.* Are you aware that at that meeting there were several with a much larger interest in W. Montgomery & Co., as creditor, than they had in Dodge & Co.? *Ans.* I am not aware.

*By Mr. Menzies.—Q.* Is Mr. Montgomery still indebted to your firm? *Ans.* Yes, we are indorsers and hold security for the same.

*By Mr. Neal.—Q.* Do you consider the settlement a sufficiently favorable one for the creditors of Mr. Budd? *Ans.* It was considered the best that could be done.

*By Mr. Montgomery.—Q.* Does Mr. Wylde recollect of Mr. Harvey's submitting an account at that meeting purporting to be my individual account with the firm? *Ans.* I do not.

*Q.* Do you recollect my stating that if my account was \$10,000 the other way, my proposition would still be the same? *Ans.* I don't remember.

*Q.* Did Mr. Blanchard, as representing Mr. Budd, take any part in that meeting? *Ans.* He did.

*Q.* Did Mr. Harvey take my account and show it at the meeting of creditors? *Ans.* I don't remember.

*Q.* Did you ever see the statement that was submitted as Mr. Budd's account to the meeting, and especially the foot note? *Ans.* I don't think the creditors had this before them.

*By Mr. Bremner.—Q.* Would you understand the phrase that "the account was submitted without reference to Profit and Loss" as expressing whether there was profit to be credited to the account or loss to be charged? *Ans.* I would not.

*By Mr. Montgomery.—Q.* Would not such a phrase as a foot note be likely to attract attention and imply that the account was incomplete? *Ans.* It would.

*Q.* And if such a paper were put into the hands of a committee of business men to compare it with the ledger, would they not be certain to examine that very point? *Ans.* I should think so, they would not be doing their duty if they did not.

*Q.* If you were assignee of an estate, and supposed that any person held assets belonging to the estate, and held such a document at this, and you employed an expert in accounts to compare this with the ledger, do you think he would be misled by such a foot note? *Ans.* It ought not.

*By Mr. Menzies.—Q.* Would such an account serve any purpose at all? *Ans.* No, not by itself.

The examination of Mr. Budd's account was here resumed.

*Mr. Bremner to Mr. Montgomery.—Q.* Whereas there appears in the account rendered a balance of \$973.66, (Dr.) (\$3,623.25); (Cr.) (\$4,596.91) and in the letter to Mr. Harvey a balance stated at \$1,624.21. Can you account for this difference? *Ans.* There is a difference of six weeks in the entries.

*Q.* You will observe that the whole of the indebtedness, including the capital, was drawn in 1870 according to the statement. Does it not follow that Mr. Budd was intitled to draw interest on \$3,500 per annum not drawn?

Mr. Montgomery declines to answer in the form in which the question is put as tending to confuse matters.

The Moderator asked Mr. Bremner to state the precise object he had in view in putting this question, and Mr. Bremner replied that he wished to get the true state of Mr. Budd's account at the time of the settlement with Dodge & Co.'s creditors.

Mr. Montgomery waives his objection and answers the previous question in the affirmative.

Q. Ought not Mr. Budd to have been credited for interest, roughly as follows:—

From August '67 to '68 on \$3,500.....	\$210
" '68 to '69 " 7,000.....	420
" '69 to '70 " 10,500.....	630

— say \$1,260 ?

Ans. He was entitled to that amount of interest in any settlement of co-partnership business.

Q. Deducting the \$1,260 of interest from \$1,624 as stated in letter to Mr. Harvey the debit would be then, \$364 ? Ans. I will not allow that there was any interest to be credited to Mr. Budd in consequence of his not fulfilling his agreement as a partner, and I further say that I did not consider that he was entitled to any profits or interest until the business was settled or adjusted.

Mr. Bremner here wishes it to be recorded that he declines to question Mr. Montgomery any further, in consequence of the last answer given by Mr. Montgomery.

Mr. Menzies moves—That Mr. Cook be requested to make up a statement of the accounts as respects profits and interest of both partners in the firm of W. Montgomery & Co., from the beginning to the end of the business in conformity with the articles of co-partnership, and submit the same to the court when ready. The motion being agreed to the court further decides, on tomorrow to hear Mr. Montgomery with reference to Count No. 6, and also Mr. Budd's statement of his position in relation to the whole matter, and thereafter Mr. Montgomery's statement in conclusion.

Adjourned to meet on Saturday, 8th Feb. at 3 o'clock.

#### SATURDAY, FEB. 8TH, 1873.

Session met at 3 P. M. pursuant to adjournment, and being constituted with prayer Count No. 6. was taken up, and Mr. Montgomery made the following statement in reference to this charge:—

Mr. M.'s Explanation of Count VI.—I hold in my hands a note of \$5,275, a draft of G. P. Black on Budd, accepted by Budd, due in Oct. 1870; two weeks after the discovery of the position of Dodge & Co., Black wanted funds from me to meet it. I told him that I had done all that I could and could do no more. I was extremely sorry to find that Dodge & Co. were indebted to him \$45,000, Black told me that the whole sum was for their accommodation. The note was due at the Bank of British North America, and held by Hase and Lowell. I asked Lowell to renew it for thirty days. He positively refused; and I spent the whole day running round and doing all in my power to assist Black in the matter. I may say that naturally he was very angry with Budd, and when Budd came back, I did all I could to smooth things between the two. I took Budd to Black's office for that purpose. (I remember, and mention it to show what impression Black had of my endeav-

ours, that on that occasion after Budd and I had left his office, he called Budd back to him. On Budd rejoining me, he said that Black had called him back to tell him Montgomery was a noble fellow.) I made up my mind that it Lowell would break the note, for \$1,100, and one for the balance, I would discount the lesser one. Is it not clear that if I had funds of Budd's I would have paid it out of them? And would I have received the note had I not expected Black to collect it? What I did was for the accommodation of Black, and when afterwards I made my proposal to Harvey, I never expected to have given up Black as an endorser.

*Mr. Menzies to Mr. Montgomery.—Q.* Did you ask Mr. Lowell to renew the note in full before you proposed to break it in two? *Ans.* I did.

*Q.* Then you concluded to discount the note for \$1,100 because Mr. Lowell refused to renew for more than \$4,000? *Ans.* Yes.

*Q.* Did you understand from Mr. Lowell that the debt was Mr. Budd's or Mr. Black's? *Ans.* Mr. Lowell could not say, he had assurance from both that it would be paid at maturity—it was a renewal.

*Q.* Looking at the acceptance as drawn, whose debt would you suppose it to be? *Ans.* Mr. Budd's.

*Q.* You spoke of Mr. Black sending for a small debt due—was that a debt justly due? *Ans.* Yes.

*Q.* Did you understand the letter of Mr. Harvey as a formal demand for the return of what he considered justly due to the estate of Mr. Budd? *Ans.* Yes.

Mr. Montgomery's letter to Mr. Black dated 18th April 1871, is here produced.

*Q.* Is the note for \$1,000 herein mentioned the one charged to Mr. Budd on the 9th Nov.? *Ans.* Yes.

*Q.* Is the note for \$500 (as Dodge & Co.,) the same as that charged to Mr. Budd on 1st Dec. 1870? *Ans.* Yes.

*Q.* Is the note for \$500 charged in account with Dodge & Co., the same as that charged to Mr. Budd. *Ans.* Yes.

The Moderator here briefly reviewed the proceedings up to this point and asked Mr. Budd if he had anything to state with reference to the charge in Count No. 6.

Mr. Budd then stated that he had not fully understood the constitution of the court—he came seeking its protection on moral grounds, he felt himself most terribly aggrieved morally and financially, and never imagined that any one with a human heart could be susceptible of the hypocrisy and conduct exhibited by Mr. Montgomery to a brother, asserted the honesty and integrity of his own life, and declared that he regretted no act of his life so much as his connection with Mr. Montgomery—since his first acquaintance he had been grossly deceived—and charged Mr. Montgomery with conspiring with Reuben Hart, Levi Hart, and W. Chisholm to rob him.

*Mr. Neal to Mr. Budd.—Q.* Had you any arrangement with Mr. Montgomery verbally or otherwise besides the co-partnership? *Ans.* No.

*Q.* What was your duty in connection with the co-partnership? *Ans.* To give advice and assistance.

*Q.* Do you consider that you gave Mr. Montgomery all the help that you should have given him? *Ans.* I do.

*Q.* Were you obliged by the partnership to put your individual name on notes when required? *Ans.* No.

*Mr. Menzies to Mr. Budd.—Q.* In this arrangement with Mr. Harvey, did you consider that your interests were regarded? *Ans.* No, not all.

*Q.* How can you account for your creditors being so blind to their own interests as to accept the arrangement? *Ans.* There were very few large creditors present, and of these some were interested in both firms.

*Q.* Then you don't know what led to that proposition being accepted? *Ans.* No.

*Q.* Then you are not willing to accept Mr. Montgomery's explanation that it was the utmost that he could reasonably offer? *Ans.* No.

*Q.* With reference to Mr. Black's endorsements, did he receive compensation for giving them? *Ans.* No.

*Q.* Had Mr. Black also endorsed for Montgomery & Co? *Ans.* I don't know.

Mr. Montgomery here makes his concluding address to the court, as follows:—

#### CONCLUDING STATEMENT BY MR. MONTGOMERY.

MODERATOR,—I cannot plead the ignorance of the nature of this court that Mr. Budd has pleaded. I have a just conception of its duties and privileges, and responsibilities; and here, at the close of the investigation, in view of the labour that this case has imposed on the court, and the patience and thoroughness which has been displayed in dealing with it, permit me to thank all the members; and, respecting any feelings that may have been excited in the course of the discussion, or reflections that I may have made, I candidly accord that it has been the desire of every one to elicit the truth.

In the words you have just listened to, you have heard a specimen of the extraordinary and extravagant slanders that have been circulated from door to door, and in the streets of the city, against me for years. I answered only by silence. And I would call on every man to say whether, on a review of his life, he is not able to see that sometimes his best actions have been misinterpreted and set down against him. It is our duty to disregard ordinary slanders; and I call to your remembrance my words, when asked to accept the position of elder, to the effect that I was accustomed to engage actively in many affairs which might cause my name to be before the public in a way that might not be liked. But there are times when a man is compelled to take a stand; when, day after day and year after year, slanders are persistently repeated, it is time. I have been called a hypocrite. Do you believe me one? Then, I have forfeited claims to the confidence of the community, and to the communion of the church.



The action of this court cannot terminate here. This case has become a matter of notoriety over the city. And I must here say that, if the conclusion is not decisive, it must be taken to another court.

The main charges are two, or rather three;—the first implies that, for the sake of gain, I made false statements to the banks. The second, that, in my dealings with individuals, I have been unjust, penurious and mean. The third, that I have not a human heart. I submit that there has not been evidence to establish any of these.

As to the first—the statement to the Union Bank—you recollect the scrutiny made into that statement. All the result of the questioning and cross-questioning was to bring out its truth. Any understatement in it was an understatement of profits. Every liability was stated fully. It should also be considered that neither the Bank nor any individual ever lost anything by trusting to it.

Connected with this, is the statement to the creditors. Looking at my letter to Mr. Harvey, there are three things to be taken in connection with it:—(1) that he desired information as to the relation of Mr. Budd to the firm of Montgomery & Co.; (2) that it had been afforded; and (3) that it had been discussed verbally. The words of the letter itself prove that all this was so, namely:—"I afforded him all facilities and information as to liabilities," &c. What information did Mr. Harvey get? First, there was the meeting of the creditors, at which he was present as official Assignee. Reports had obtained currency that Budd had a large amount invested in the concern. Mr. Bremner himself told me that his impression was that Budd had put in much more than \$15,000. At this meeting, knowing that this was so, I requested the point to be investigated. A Committee was appointed. This statement or account originated in the desire to show the committee what Budd had, as matter of fact, put in and taken out. For, from that meeting, all idea of a settlement of co-partnership with Budd had vanished. The only plan left was to save the business from being entirely broken up.

Mr. Harvey has sworn that the only object of this statement was to show this.

My statement having been examined thoroughly. After Mr. Harvey was appointed Assignee, he came into my office with an accountant, and said that he wished to examine the books. Every facility was afforded him. He took three days to the work; took copies of bills payable, and everything that was necessary to make him thoroughly acquainted with the state of affairs. Two official Inspectors also examined the account; and the only thing they were not satisfied with, was the inventory. They appointed two machinists to make an inventory; and they reduced it by the amount that we did at the end of the year.

Is there the least hint that any information was refused? Mr. Budd himself came to the office, but his memory is inconveniently slow when it suits him. He confesses, however, that his object in coming was "to talk the matter over." What matter, but this? Every circumstance in the whole

transaction, is surely consistent with the supposition of me as an honest man anxious to save the business.

Again, there was no proposition of a settlement. No one submitted any. We were three months practically doing nothing; an expensive business was at a stand-still, and you can estimate easily how much worse matters were becoming every day. I came forward and offered a settlement; and if they accepted it blindly, it was incomprehensible. Remember the circumstances. Dodge & Co.'s failure was not an ordinary one. I find, from Mr. Harvey's accounts, that the indebtedness was about \$117,000. Is it probable that the creditors did not act as wisely as it was possible for them to do. The meeting was a full one. Mr. Harvey's office was full, including five lawyers representing creditors.

My letter to Mr. Harvey was not new, nor on a new subject. It was not sprung upon the creditors. It was written after the whole thing had been verbally talked over. It was written on January 6th, when all matters were understood, when, too, I had made out my own accounts to rank on the estate, if my offer was not accepted.

Again, my statement was not accepted at once. It was carefully considered, and a delay of two weeks intervened. Suppose that the sixteen hundred dollars claimed in it from Budd be stricken out, my creditors would at any rate have insisted on the three thousand one hundred and eighty dollars I had against Dodge. But Mr. Harvey had my account in his hand; and I said publicly that these amounts made no difference, as in no case could I make any other proposal.

Consider also that this failure came upon me as a thunder-clap. Mr. Budd hid the whole thing from me. And what was my position at the time? I had \$35,000 invested in machinery and fixtures. My liabilities were over \$65,000. What had we to pay these with? A stock of merchandize on hand and tools; but without capital and credit, these would not have paid a single note. Was it right to have led me into such a position? And yet, when I, acting on the doctor's suggestion, advised him to go away for a time to recruit, he did not even give me a hint of the state of affairs. Should I then, without an effort, allow myself to be swept away by the treachery of a brother, and allow others also to be injured. Two firms had trusted us to a large extent. Others had acted as friends. Were they to be allowed to suffer?

I resolved to do my best. Before making my proposal, I had to consult business friends, or how could I have met the liabilities? It would take, I found, \$16,000 to carry me through. Stairs agreed at first to find this, and take security on the premises. But wishing only to give the money for two years, this fell through; for I couldn't have paid it at the time, and would not therefore undertake it. So I told Stairs & Wylde, Hart & Co., that I gave the thing up. Afterwards, while in my office with no outlook, they came to me, and said that they had reconsidered the matter, and would do it in another way. In all this, I was not indebted to Mr. Budd. He had tried

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to hinder it all along. Look at the contrast between our firm and his. They fail for \$117,000. Mine intact, and with profits. And since the settlement, he has followed me with slander, and not me only, but every friend who stood by me.

Again, it was evident that I couldn't go on without assistance, if I was to undertake the burden. Had I been a designing man, what would I have done? I might have got rid of liabilities, but I did not.

I had been driven from Bank to Bank by him. Every Bank in the city was stuffed with the paper of Dodge & Co. I was afraid to undertake anything heavy, being refused credit, and not understanding the reason. Therefore, I had to make the statement to the Bank that has been before you, to show my position independent of Dodge & Co.

I here also state that I never could get Budd to talk for ten minutes on business. I was forced to act by myself, and to make the statements or suspend the business. And in making these, credit should be given me for doing the best that was possible; and I ought to be considered honest till proved dishonest.

#### CONTINUATION OF MR. MONTGOMERY'S STATEMENT.

I will complete my remarks about my letter to Mr. Harvey. In stating what I proposed to do, I used the following language:—"In immediate settlement," &c. Had it not been accepted, and had we been compelled to go into bankruptcy, a large number of the creditors of Dodge & Co. would have been affected. One bankruptcy was enough for them. On its being accepted, I undertook to do something. Did I perform that? The answer is, that those creditors I have alluded to, lost nothing by it. Mr. Budd is free from debt, and I have therefore discharged my obligations to him; I have repaid Wyld, Hart & Co., \$10,000 the first year; I have paid Black; have reduced the paper owing to the Union Bank. And I thought that the community gave me some praise for my efforts, till I heard, through you, sir, that rumours prejudicial to my character still floated in the city about me. There were creditors who would have sacrificed much rather than let my establishment stop, and see a large number of men thrown idle. I therefore leave that letter now, again stating that, when that settlement was accepted, I would come under no other obligations. I said that I would need all my strength to do what I undertook, and that "my hands must be free."

2. As to the charge of dishonest or penurious dealings with Mr. Budd as an individual. He accuses me for charging my travelling expenses to New York to merchandise account. I went twice to New York. On the first occasion, one object was to sell old iron that had been for six years about the premises, and which I sold there for \$2,200. I also at that time, in three weeks, made all the arrangements necessary for continuing the business. That was all clear profit to the concern, and yet I am accused for charging my bare travelling expenses.

To show the dealings on the other side, I may mention that as far as

any transactions between myself and Budd were concerned, every cent was charged, and sent in monthly, though the books were not written up for two years. Here is one item against me; "two days interest, five cents." And he is the man that makes these charges! And that accuses Chisholm, Hart, and me of a conspiracy! Chisholm, whom he had told that he owed nobody but himself: Hart, the member of a firm that had supported him to the extent of \$65,000 at one time, and that finds all at once that they are to lose \$40,000.

All the rumours against me have been traced to him. But when examined, he remembers what will suit himself, and that only.

He states that he came here worth \$70,000, while I was penniless. Well, what did he invest here?

There was \$15,000 in our concern; and subtract the due bill of \$1,700. Then there was what he put in Dodge & Co's concern. I furnished the machinery for Dodge and know what it cost. It cost \$8,000 in greenbacks, and premium paid for duty, and freight. And we spent \$1,200 fitting up. Call everything \$15,000. Then there was \$2,500 on the house; \$3,500 for furniture; Stillwater Mill, \$2,400. Or in all \$42,000. I defy him to point out any other investment in Halifax.

On the other side, there was indebtedness to his Charleston creditors, \$30,000; and \$18,000 to Johnston, or in all, \$48,000; making \$6,000 less than nothing that he was worth when he came here.

He either wilfully misrepresented his position to me when he induced me to come here, or he was labouring under a delusion. He lost nothing by our concern. He took out more than he put in. This rich man, how then did he dispose of his wealth? Where was it, or who took it from him?

On the other side, as to my own antecedents.—He had arranged with Dodge, and bought the Stillwater Mill, before the firm of Montgomery & Co. was erected. I had never seen him before.—Here is his first letter to me, dated Aug. 24, 1865, in which he says; "Lumber is a staple of the Province, and in seeing their mills, I believe that improvemets can be made; I write you as you are thoroughly acquainted with the machinery of lumber mills." He tried to induce me to go into the Stillwater affair. I came on to the Province, and saw what a delapidated concern it was, that no sensible person would look at. Here we have several letters to me to the same effect, speaking of Nova Scotia as a paradise for making money. He came on then to New York. He wrote, June, 1866; "I am disappointed that you will not come to Nova Scotia; but it is the country for me. You, Wier, and I, could take the mill. If your present plans do not succeed, you may yet come on."

Having first declined to go into any enterprise with him here, let me explain what changed my views. To do this, I must go back and explain somewhat of the business and its extent I was in.

From June 24th, 1864, in my order book, to August 11, I find a total for all classes of machinery of \$104,000. I was an engineer in New York, taking in contracts and getting them done at the Washington Iron Works, an es-

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establishment that employed 900 men. I had 10 per cent on every contract; had no responsibility; had time to pursue other business; and was contented and happy.

The Company then wished me to go to New Orleans the centre place in the United States for machinery of various kinds. They offered me \$4,000 a year, and one-third share of the profits in the office, or to make a permanent stay in New York at \$5,000 a year. On June 16, 1866, I wrote to the Company, putting in the form of a proposal what had been discussed between us;—"to open a concern in New Orleans for (1) \$4,000 a year and one-third of the profits; (2) the rent of the office (3) the store to pay salaries, commissions, and bad debts; (4) the entire management of the office to be mine."

I had been brought up by my father as a mechanical engineer, especially in connection with the machinery of Cotton Manufacture. As far as my experience goes, the best managers of machine shops have been men trained in cotton mills. I had in the States charge of an hundred mechanics, though I did not myself go through a regular apprenticeship as a mechanic. From the age of fourteen, I did not cost my father a dollar. For ten years as a young man, I had \$1,200 a year. And then entering into business in Yonkers, I owned a machine shop there, and built up a good business.

In view of those facts, is it not malignant to say that I deceived him, that I induced him to invest in manufactures, knowing nothing of mechanical engineering. The fact is that I never rely on a foreman; that I make my own plans and estimates. When I came to Halifax, I did not crowd myself into any position. But in positions to which I have been called, I have found myself hampered by Mr. Budd. From our connection in this Session, you know my views, tests, and opinions; and that in controverted matters, I prefer to stand in the back ground, so that I may the better keep my mind free from bias.

My reputation is in your hands. I ask no favours. If I have not answered your charges satisfactorily, I am disappointed.

3. It is implied that I am under moral obligations to Mr. Budd. I fail to see it. On August 10th, previous to the failure, I offered \$10,000 cash, as my letters show, as one of the terms of settling with him. Does that show that I wished to take advantage of him? A merciful Providence prevented him from accepting the offer. Had he done so, I would certainly have been accused of conniving with him to get him out before his failure.

He is unfitted for honest work. He expected to make money without his own labour. He never did anything but brag and slander. Suppose that he had got hold of the property of our firm, what could he have done with it? It would not have helped him one iota.

Am I under moral obligations to this man—the only man that objected to the only practical settlement that could be made, by pouring poison into the ears of Mr. Black, and who ever since has acted in the same spirit. Would I not be doing injustice to others, if I gave money out of the business even to friend or father?

I have endured all that Christian endurance could demand. Till he repents, ought I to do more. I am under no pecuniary obligation to him. Moral and social obligations he has violated towards me.

*Cross-examination of Mr. Montgomery's concluding statement.—Q.* What was the understanding about what Mr. Budd was expected to do, when the firm was started? *Ans.* I understood that he was a rich man; that he was to relieve me from all financial difficulties; and that he would always be ready to give aid and counsel with respect to contracts, &c., &c. But I never could get him to give any attention to the business. I expected that his services would be equivalent, along with the interest on his investment, to what my services were worth. Several times in conversation with him, I expressed dissatisfaction with his failure in these respects, pointing out specially that, by his conduct, he was estimating my services only at \$950 a year.

*Q.* As to the letter you read, referring to Mr. Budd's refusal to sign a renewal note, was that the first written intimation you gave him of your intention to charge \$2,500 for attending to what you had considered to be his work? *Ans.* It was.

*Q.* Had you done so previously in words? *Ans.* Yes.

*Q.* Had you mentioned the amount verbally? *Ans.* I think that I had mentioned the amount.

*Q.* How early in the history of the co-partnership were you dissatisfied with his neglect? *Ans.* During the first 18 months, I didn't mind it much; but even in the course of that period, I spoke to him on the subject.

*Q.* Regarding Subdivision 1 in Count IV., is the charge therein implied correct? *Ans.* It is untrue. My business had been with the South; and, during the first two years of the war, it was almost wholly suspended; but in the next three, I made more money than in any other six years.

The examination here closed, and the Session decided to meet on Monday, 17th inst., to receive the statements to be prepared by Mr. Cook, late book-keeper to W. Montgomery & Co.

Closed with prayer.

G. M. GRANT, *Moderator.*  
G. MACLEAN, *Clerk.*

#### SESSION ROOM, 17TH FEB., 1873.

Present: Rev. G. M. Grant, Moderator; Messrs. Menzies, Bremner, Lindsay, Neal, Hesson, and G. Maclean.

Mr. Cook's statement from the books of Wm. Montgomery & Co., of the accounts of the individual partners, and of the profit and loss of the firm made up to 30th March, 1870, was produced and considered by the Court. A copy of the same was ordered to be sent to Mr. Montgomery with the information that the Session would meet on the evening of Feb. 24th when any written remarks that he may choose to submit on the statement would be received.

The Session adjourned to meet on the 24th inst., at 8.30 P. M., to proceed to judgment in the case of Mr. Montgomery.

G. MACLEAN, *Clerk.*

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## SESSION ROOM, 26TH., FEB., (adjourned from 24th.)

Present: Rev. G. M. Grant, Moderator; Messrs. Menzies, Bremner, Hesson, Knight, Neal, Lindsay, and G. Maclean.

Minutes of last meeting were read and approved.

A letter from Mr. Montgomery with reference to the accounts submitted by Mr. Cook was read, and the same was ordered to be kept in retentis, with the accounts, and the Session wish it to be understood that the opinions expressed in Mr. Montgomery's letter with reference to other matters than the accounts, are not considered as forming part of the evidence in the case.

Each member present as formerly agreed upon, expressed his judgment on the case, and it appeared that the conclusions arrived at were all but unanimous.

Adjourned to meet on the 10th March.

G. MACLEAN, Clerk.

## SESSION ROOM, 10TH MARCH, 1873.

Present: Rev. G. M. Grant, Moderator; Messrs. Neal, Hesson, Knight, Lindsay, Menzies, John McLean and G. Maclean.

Minutes of last meeting were read and approved.

The Session then took up the case of Mr. Montgomery, and having carefully weighed all the evidence bearing on the case as now on record, and being actuated by a desire to make all due allowance in behalf of the accused, in the trying circumstances in which he was placed, nevertheless find as follows:

Count No. 1.—Proven.

Count No. 2.—The account referred to in this count proven to be incorrect, and calculated to mislead as to the true interest of Mr. Budd in the firm of W. Montgomery & Co.

Count No. 3.—Non proven.

Count No. 4.—Section 6.—That the offer made to Mr. Budd on the 10th August 1870, proves the injustice of the representation made to the creditors in the account of T. G. Budd dated 2nd December, 1870, and in the letter to Mr. Harvey, offering to buy the concern dated 6th Jan., 1871.

Count No. 5.—Proven, but not to the extent stated in the count.

Count No. 6.—Proven.

Count No. 7.—Non Proven.

The Session having considered Seriatim the list of charges preferred against Mr Montgomery sustained by such documentary and personal evidence, as was attainable after the lapse of so long an interval, since the occurrence of those circumstances out of which the fama against Mr. Montgomery had arisen, now put on record the general finding they have come to on the subject.

In doing this they think it not necessary to state that to them the case has been an unspeakably painful one. They had to try a brother who had been associated with them for years in the spiritual leadership of the congregation. They gave the utmost diligence to the matter, hoping from the first

that they would have been able fully to acquit their brother, they also felt that the great responsibility on them was to judge righteous judgment. Their decision is,

(1.) That Mr. Montgomery's statement to the Union Bank was not an accurate one. They think that Mr. Montgomery must know that it was calculated to mislead the Bank, with respect to the condition of the firm, and by consequence to the ability of Mr. Budd as a partner of the firm of Dodge & Co. They regret that in the course of the investigation, Mr. Montgomery did not see and confess this.

(2.) With reference to the settlement effected with the creditors after the failure of Dodge & Co., the Session sympathise with the difficult position in which Mr. Montgomery was placed; but without saying that Mr. Montgomery's offer to the creditors was not the utmost that he could undertake at the time, they regret that he used language in his letter to the Official Assignee and in the statement submitted that, to say the least, was calculated to mislead creditors as to the actual interest of Mr. Budd in the firm of W. Montgomery & Co.

(3.) With reference to Charge VI., they consider Mr. Montgomery guilty of an improper attempt to obtain money from G. P. Black, and that an apology to Mr. Black is due.

The Session accordingly instruct their clerk to transmit to Mr. Montgomery a copy of this finding, and to express the hope that Mr. Montgomery will concur in the judgment of the Session, and make the reparation suggested, the Session also notify Mr. Montgomery that, on the first Monday of April at 8½ P. M., they will meet for further procedure in the case.

G. MACLEAN, Clerk.

—SESSION ROOM, 8TH APRIL, 1873.

Present: Rev. G. M. Grant, Moderator; Dr. Avery, Messrs Lindsay, Bremner, Hesson, Knight, Menzies, Neal, John McLean, G. Maclean.

The Moderator handed in a letter from Mr. Montgomery appealing to the Presbytery from the decision of Session in his case, which was read and tabled.\*

It was moved, that Mr. Bremner, Mr. Menzies, and the Clerk be a Committee to prepare a printed history of the case; and also a statement of the grounds of the Session's action for the information of the Presbytery.

G. MACLEAN, Clerk.

\* REV. G. M. GRANT, MODERATOR OF SESSION, ST. MATTHEW'S CHURCH:

Dear Sir,—The Session Clerk has furnished me with a copy of the Minutes of Session held on the 10th ult., in which I find recorded the general decision of the Court upon the charges preferred against me. From that decision I respectfully appeal to the Presbytery as the next higher court.

My appeal is based upon the following grounds:

1. Undue bias of one or more members of the court against me.
2. The finding is contrary to the evidence produced.
3. The ruling respecting the transaction with G. P. Black is not in accordance with Christian Courtesy.
4. The general ruling is not the intelligent verdict of a majority of the Session.

Yours truly,

(Signed) WM. MONTGOMERY.

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## APPENDIX.

### A.

#### STATEMENT OF ASSETS AND LIABILITIES OF W. MONTGOMERY & CO. FURNISHED TO UNION BANK, HALIFAX.

##### ASSETS.

Merchandise on hand as per inventory .....	\$29,319 46
Unfinished Contracts and work.....	7,516 32
Cash paid for real estate.....	21,466 50
" " Machinery and fixtures .....	35,272 00
Amount due from individuals .....	5,000 00
	\$98,574 28

##### LIABILITIES.

Bills payable.....	\$29,766 00
Due T. G. Budd.....	7,746 00
Due Individuals .....	2,000 00
Miss Cogswell's Mortgage.....	16,000 00
Balance .....	43,062 28
	\$98,574 28

Net profits for two years ending April 1st., 1869, after paying interest on mortgage, and putting premises in thorough repair .....

(Signed) W. MONTGOMERY & Co.

Halifax, Aug. 17th., 1869.

E. & O. E.

### B.

This Indenture made this Eighth day of August, in the year of our Lord, Eighteen Hundred and Sixty Six, between Thomas Gilchrist Budd, at present of the City and County of Halifax, N. S., Merchant, of the one part, and William Montgomery, late of New York, Machinist, of the other part.

Witnesseth, that the said T. G. Budd, and William Montgomery, have mutually agreed to become partners, for the purpose of conducting the machine business at the "Nova Scotia Iron Works," formerly known as the "Chebucto Foundry," in the City of Halifax, in all its branches.

The style of the firm shall be William Montgomery & Co., and the co-partnership shall exist for ten years, unless sooner dissolved by mutual consent.

T. G. Budd furnishes Fifteen Thousand Dollars in cash, which amount i to be passed to his credit free of interest, the said interest being given by him as an offsett to William Montgomery's services.

T. G. Budd to be at liberty to engage in other business pursuits, but to give his counsel and aid when required.

T. G. Budd and William Montgomery each own one half interest in the property and in the profits and loss of the business, the profit and loss to be ascertained annually by the books of the firm being balanced, and after paying the debts of the concern due on mortgage of the property and interest thereon, the balance of profit or loss to be passed to the individual accounts of the partners of said firm.

Each partner is authorised to draw annually of the profits, Thirty Five Hundred Dollars, and if the full amount of said sum be unused, the party thus short drawing shall be allowed interest on the amount remaining.

No portion of the profits beyond the said Thirty Five Hundred Dollars is to be brawn by either partner until the whole property is paid for, or unless written consent be given by either partner to the other thus desiring to overdraw.

After the purchase money of the property is paid off, then either partner can withdraw his profits or leave same on interest in the concern.

William Montgomery is to give the whole of his time to the prosecution of the business, engaging in no other without T. G. Budd's consent. He is to have supervision of the works and the entire business, but is to consult with T. G. Budd in reference to the management, taking of contracts and the affairs of the concern generally.

Either partner is authorised to sign the name of the firm to the business transactions of the concern, but for no other purpose, unless mutually agreed.

In case any dispute or difference of opinion arises, touching the management of business, &c., the subject matter is to be left to an arbitration of three disinterested persons whose award shall be binding.

T. G. BUDD,  
WM. MONTGOMERY.

Signed, Sealed and delivered }  
in presence of  
O. W. ADAM. }

## C.

## STATEMENT OF ASSETS AND LIABILITIES OF W. MONTGOMERY &amp; CO.

## STATEMENT.

TESTING CORRECTNESS OF SURPLUS AMOUNTING TO....	.....	.....	\$43,842 28
Original investment....	.....	✓	\$15,009 00
Profits on business as shown .....	.....	✓	26,689 75
“ enhanced value of Plant .....	.....	✓	8,850 65
“ “ “ of Real Estate.....	.....	✓	6,971 49
		✓	\$57,511 89
Deduct amount withdrawn.....	.....	✓	14,469 61
			\$43,042 28 ✓

(Signed)

WM. MONTGOMERY.

Halifax, August 17th, 1869.

E. &amp; O. E. 1873

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## STATEMENTS, ASSETS AND LIABILITIES.

## ASSETS.

Merchandise on hand as per inventory .....	\$29,319 46
Unfinished Contract and work....	7,516 32
Cash paid for Real Estate....	21,416 50
“ Machinery and fixtures.....	35,272 00
Amount due from individuals .....	5,000 00
	<hr/> \$98,574 28

## LIABILITIES.

Bills payable .....	\$29,766 00
Due Thomas G. Budd..	7,746 00
Due individuals....	2,000 00
Miss Cogswell's Mortgage .....	16,000 00
Balance.....	43,062 28
	<hr/> \$98,574 28

Net profits for two years ending 1st April, 1869, after paying interest on  
Mortgage, and putting premises in thorough repair.. 26,689 75

(Signed)

WM. MONTGOMERY &amp; CO.

Halifax, N. S., 17th August, 1869.

To prevent misunderstanding and save time, it is admitted that statement  
made to Union Bank is made up on correct principles, and if items are  
correct, should show the *exact* balance of assets, which is stated to be,  
on 17th August, 1869..... \$43,062 28

The profits, shown in statement to Union Bank, are said to be up to 1st  
April, 1869 .... 26,689 75

Add to this estimated profits from 1st April to 17th Aug., 1869.... 3,000 00

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\$27,689 75

The total capital put into business allowed to be.... 15,000 00

Withdrawn from business to 17th Aug., '69, by W. Montgomery \$11,218 21

“ “ “ “ T. G. Budd.... 4,562 41

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15,780 62

The above being acknowledged facts, it is impossible that there could have  
been a balance of assets to amount stated on the 17th August, 1869. The  
balance of assets over liabilities could only be created from the following  
source, viz. :—

Capital put into business....	\$15,000 00
Profits to 17th Aug., 1869, as above....	29,689 75

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\$44,689 75

Less withdrawn by partners up to 17th Aug., 1869, as above.....	15,780 62
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Balance of Assets should be.....	\$28,909 13
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Difference... ..	\$14,153 13
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Mr. Montgomery, on being asked how such a balance could arise, states  
that it was actually there, and gives the following items as representing how  
it arose :—

Capital....	\$15,000 00
Profits .....	26,689 75

Outlay improving buildings .....	6,970 52
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Addition to Machinery, by labour, &c....	8,850 65
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\$57,510 92

Less amount withdrawn.....	14,469 61
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\$43,041 31

Being nearly the same amount as balance of Assets claimed.

The amount of \$8,850.65 was included in the item of assets in statement to bank as "cash paid for machinery, and fixtures, \$35,272, and could only have been paid for from capital or profits.

The amount of \$6,970.52 "outlay on improvement to buildings," as explained by Mr. Montgomery, might properly have been put in assets, as increased value of buildings in statement to bank; but it was not, and cannot affect the question of the incorrectness of said statement; for, if it had been placed there, the balance of assets would have been increased by that amount, and would then have been shown to be (\$<sup>42092 21</sup>/<sub>9970 21</sub>) \$50,032.80.

As already stated, the balance of assets over liabilities could only be created by amount of capital and profits, with amounts withdrawn deducted.

To make assets (balance of) amounting to \$50,032.80, the statement would stand thus: the amount of

Capital being ascertained to be.....	\$15,000 00
Profits to 17th March, 1869, (\$50,813.42).....	50,813 42
	<hr/>
Less amounts withdrawn from business....	\$65,813 42
	<hr/>
Balance ..	15,780 62
	<hr/>
	\$50,032 80

The only conclusion that can possibly be arrived at from above calculations is, that, in the statement to the Union Bank, either the Assets are overstated, or the Liabilities are understated, or the Profits are understated.

Of course these calculations are based upon facts brought out so far, and believing that the amount of capital put into the business was only \$15,000,

I have put the above in this form, believing that a great deal of time may be saved by understanding each other.

JAS. J. BREMNER.

Halifax, N. S., 4th February, 1873.

To REV. G. M. GRANT, Moderator Kirk Session, St. Matthew's Church.

E.

Halifax, N. S.

W. MONTGOMERY, ESQ., In Account with W. MONTGOMERY & CO.

1866.		Dr.	
Sept. 18.	To Cash....		\$79 00
" 25.	" ".....		6 41
Nov. 8.	" ".....		74 31
" 26.	" ".....		1,000 00
Decr. 1.	" ".....		50 00
" 7.	" ".....		360 00
" 13.	" ".....		44 33
" 19.	" ".....		85 82
" 20.	" ".....		150 00
1867.	" ".....		50 00
Jan. 3.	" ".....		50 00
	115 lbs. Sugar at 8½ cts. \$9.77; half bbl., 30cts. ....		10 07
	2 Boxes M. R. L. Raisins at \$2.50.....		5 00
	1 bbl. crushed sugar 206 lbs. at 11½ cts. ....		23 69
	1 bbl. Potatoes.. ....		1 37
10.	To cash .....		100 00
15.	" ".....		34 40



Jan. 12.	To cash		\$45 40
19.	"		23 09
Feb. 4.	"		10 10
5.	"		100 00
	Amount of T. G. Budd's account against you settled in our account with him		102 54
11.	To Cash		12 00
12.	"		23 20
	"	Gold Dft., U. S. \$700 at 3 $\frac{1}{2}$ per cent prem.	726 25
	"	balance due on proceeds of sales of Iron per John White at New York, as per your statement (U. S. Cy.)	186 95
	"	Cash	21 78
	"	Amount of Phelan & Kelly's bill against you settled in our account with them	45 15
28.	"	Paid Gas bill	20 30
March 1.	" 1 bbl. Flour		11 50
4.	" Cash		75 00
April 13.	"		60 00
23.	"		16 00
	Amount credited to you as per your statement of disbursements in New York, as paid Washington Iron Works for bill against us, the same being for your own account, U. S. Cy.		160 00
May 4.	" Cash		18 00
	" 1 Chal. coal		5 00
	" Cash		9 00
	"		12 63
10.	"		262 50
13.	"		10 00
14.	"		10 00
18.	To Cash		25 00
	"		25 00
June 10.	"		11 00
25.	"		100 00
28.	" 1 bbl. Flour		11 00
	" Amount paid for passage to Boston settled in our account with T. G. Budd		\$20 00
	" 1 Cow and R. R. Freight on do. settled in our account with T. G. Budd		44 93
July 19.	2 Chaldron Sydney coal at \$5.00		11 00
	Cartage		1 00
20.	1 Brl. crushed Sugar 233 lbs. at 11 $\frac{1}{2}$ cts.		25 79
6.	To Cash		15 00
30.	"		60 00
Aug. 5.	"		125 00
22.	"		52 00
29.	"		138 89
30.	"		53 50
Sep. 14.	"		120 00
Aug. 10.	"		20 00
Sep. 25.	" Amount of D. Murray & Co.'s bill against you settled by us in account with them		42 37
28.	" Cash		60 40
Oct. 4.	" For Gold Dft		78 00
5.	"		23 67
8.	"		39 86
	"		195 04
11.	"		34 00
Oct. 11.	"		24 00
10.	"		18 00
Nov. 18.	"		52 50
21.	"		227 34
Dec. 3.	"		20 00
	"		61 25
6.	"		50 00
	"		21 70
17.	"		57 12

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Dec. 17.	To cash	.....	\$11 00
21.	"	.....	25 00
31.	"	Amount of Wm. L. Dodge & Co.'s bill for Belting Short, delivered on your contract with them, settled by us in account with them	28 21
1868.			
Jan. 1.	To Cash.	.....	80 00
11.	"	.....	50 00
13.	"	.....	10 80
18.	"	.....	36 50
31.	"	.....	44 42
Feb. 1.	"	.....	179 25
	"	.....	103 00
	To	Amount of our account against Wm. Sullivan, credited to you by him in his account against you	69 58
	"	Amount of Gordon & Keith's bill against you, settled by us in account with them	86 70
	"	Amount of Phelan & Kelley's bill against you, settled by us in account with them	57 97
	"	Amount of W. S. Symonds & Co.'s bill against you, settled by us in account with them	22 10
	"	Amount of Thomas Boggs & Co.'s bill against you settled by us in account with them	1 40
	"	Amount of A. Stephen & Son's bill against you, settled by us in account with them	11 25
22.	To Cash	.....	15 90
	"	.....	14 83
24.	"	.....	52 75
	"	.....	35 69
	"	.....	58 50
	"	.....	202 48
Mar. 12.	"	.....	20 00
14.	"	.....	25 00
20.	"	.....	30 73
24.	To 1 bbl Flour	.....	9 58
28.	"	.....	33 74
31.	"	Amount of Moir & Co.'s bill against you settled by us in account with them	10 00
	"	Amount of Phelan & Kelly's bill against you, and settled by us in account with them	2 48
April	"	Amount of J. Allan's bill against you, and settled by us in account with them	16 00
18.	To Cash to J. Montgomery	.....	24 00
	"	.....	17 85
	To 1 bbl Flour	.....	10 00
27.	To Cash	.....	14 10
20.	"	.....	61 00
May 15.	To 1 bbl. flour	.....	11 00
	"	Amount of our account against E. Dodson credited by him to you in his bill against you	16 35
1.	To Cash	.....	25 00
4.	"	.....	20 75
	"	.....	23 70
20.	"	.....	262 50
23.	"	.....	22 50
	"	Draft on Boston, U. S. Cy.	225 00
30.	"	.....	50 00
June 13.	"	.....	20 56
11.	"	.....	25 00
	To	Amount of Moir & Co.'s bill against you, settled by us in account with them	10 00
July 13.	To cash	.....	135 00
16.	"	.....	29 00
	"	.....	19 00
	"	.....	33 50

July 28.

Aug. 27.

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July	28.	To Draft on Boston, U. S. Cy ....	\$50 00
		" " " " " " " " " "	35 00
Aug.	27.	To 1 bbl. flour....	9 25
		To cash .....	12 85
		" " " " " " " " " "	12 15
		" " " " " " " " " "	50 00
		" " " " " " " " " "	35 00
		" " " " " " " " " "	6 65
Aug.	7.	" " " " " " " " " "	21 65
		" " " " " " " " " "	8 25
		" " " " " " " " " "	10 40
		" " " " " " " " " "	11 90
		" " " " " " " " " "	126 78
	13.	" " " " " " " " " "	15 00
	14.	To Bills payable for our Note to J. M. DeWolf .....	170 00
Sept.	5.	To Cash .....	7 50
	8.	Draft on Boston, U. S. Cy. ....	30 00
	9.	" " " " " " " " " "	75 00
	14.	" " " " " " " " " "	20 64
	17.	" " " " " " " " " "	30 44
	30.	" " " " " " " " " "	39 63
		To 5 chaldron coal .....	31 50
Oct.	9.	To Cash .....	72 72
	7.	" " " " " " " " " "	35 00
	20.	" " " " " " " " " "	20 00
	26.	" " " " " " " " " "	43 88
	29.	" " " " " " " " " "	46 45
Nov	14.	To 2 bbls. flour .....	18 58
	30.	" 4 <sup>1</sup> / <sub>2</sub> chaldrons Sydney coal at \$5 .....	22 50
		" 4 " " " " " " " " " " \$5.50.....	22 00
		" Truckage .....	5 00
	2.	To Cash .....	11 25
	6.	" " " " " " " " " "	262 50
		" " " " " " " " " "	81 84
	13.	" " " " " " " " " "	8 00
	19.	" " " " " " " " " "	72 00
		" " " " " " " " " "	24 90
Dec.		To merchandize amount of Moir & Co's. bill against you settled by us in account with them .....	15 50
	28.	" 20 bushels potatoes .....	8 00
	31.	" amount of our account against C. & W. Anderson credited to you in their account against you.....	267 59
	2.	To Cash .....	\$114 25
	9.	" " " " " " " " " "	15 47
		" " " " " " " " " "	20 55
	17.	" " " " " " " " " "	7 00
	24.	" " " " " " " " " "	50 00
	14.	" " " " " " " " " "	3 80
	31.	" " " " " " " " " "	15 00
	14.	" " " " " " " " " "	50 00
		To Amount of W. S. Symonds & Co.'s bill against you, settled by us in account with them.. .....	276 05
		" " " " " " " " " "	50 30
1859.			
Jan.	9.	To Cash Draft on Boston, U. S. Cy., \$231.63, at 25 per cent dis....	173 72
	8.	" " " " " " " " " "	12 90
	27.	" " " " " " " " " "	27 00
Feb.	6.	To Amount of Moir & Co.'s bill against you, settled by us in account with them.. .....	10 80
	9.	" 10 bush. Potatoes at 35 cts .....	3 50
	1.	To Cash.. .....	50 00
		" " " " " " " " " "	40 00
		" " " " " " " " " "	7 45
Feb. 15.		To Amount of T. Boggs & Co.'s bill .....	59 00
Mch. 13.		To Cash .....	28 89
		" " " " " " " " " "	388 41

25.	To Amount of Gordon & Keith's bill against you, settled by us in account with them	78 50
	" Amount of Phelan & Kelly's bill against you, settled by us in account with them	8 68
	To Cash	330 67
16.	"	40 00
15.	"	16 70
5.	" Drafts on Boston, \$2,500, and \$285, less discount \$556.40	2,228 60
	"	12 00
	"	21 81
	"	30 00
	"	82 59
	"	145 73
29.	To 1 can, 50 lbs. White Lead	5 75
	" 1 can, 12½ lbs. Yellow paint	1 00
	" 1 can, 25 lbs. White Lead	2 50
May. 3.	" 3 boxes hard soap, 192 lbs. at 6½ cts.	12 48
13.	" 1 chaldron Sydney coal	5 00
	"	2 50
14.	" 1 bbl. V. P. Sugar 293 lbs. at 11½ cts.	27 48
2.	To Cash	9 25
	" Draft on Boston U. S. by \$95.43 at 21 p. c. discount.	75 38
	To Cash	162 50
31.	"	30 30
June 14.	To amount of Moir and Co's. bill against you, settled by us in account with them	12 90
18.	To Cash	8 10
6.	"	25 00
15.	"	40 00
July 2.	"	65 00
24.	To 1 letter copy book	2 00
	" paid Freight of tress per "Carlotta"	96 00
	To Amount of bill W. S. Symonds & Co. against you settled by us in account with them.	4 50
Aug. 3.	To Cash.	110 18
	"	58 67
28.	"	219 03
	"	64 50
	"	154 92
Sept. 27.	To ½ chaldron Sydney Coal	2 63
	" Cartage	0 30
Oct. 7.	" 1 Italian Iron.	0 25
18.	" 8½ Chaldron Coal at \$5	42 50
	" Cartage of do. 60cts per load	5 10
5.	To Cash	67 25
18.	"	52 52
16.	"	18 72
	"	85 83
	"	30 00
Nov. 5.	"	253 87
	"	12 00
16.	"	56 00
	"	37 90
15.	"	94 53
	"	220 43
	"	20 00
Dec. 2.	" Draft on New York \$250 U. S. Cy., at 20 p. c. discount.	262 50
8.	"	16 70
9.	"	10 50
	"	29 50
	"	24 00
Dec. 31.	To 1 bbl best crushed sugar 210 lbs. at 12½ cents.	342 20
Jan. 10.	" Amount of E. M. McDonald's bill against you, settled by us in account with him	25 13
22.	" D. Starr & Sons bill against you settled by us in account with them	7 50
	"	0 95

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April 4.

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31.

July 4.

78 50	Jan. 24. To 1 bbl. Flour....	\$ 7 00
8 68	6. To Cash paid note for your account .....	777 80
330 67	10. " .....	19 85
40 00	12. " .....	73 75
16 70	15. " .....	25 00
228 60	27. " .....	64 44
		22 00
	To Amount of Gordon & Keith's bill against you, settled by us in account with them .....	203 04
		64 20
292 13	Feb. " of Alpin Grant's bill against you, settled by us in account with them .....	2 55
5 75	23. " of J. C. Crosskill's bill against you, settled by us in account with them .....	15 50
1 00	" of Compton & Co.'s bill against you, settled by us in account with them .....	5 25
2 50	" of W. S. Symonds & Co.'s bill against you, settled by us in account with them .....	1 50
12 48	" of McDonald & Co.'s bill against you, settled by us in account with them .....	59 07
5 00	1. To our note for C. & W. Anderson for account against you .....	362 03
2 50	To Amount of our account against C. & W. Anderson, credited to you by them in settlement of their account against you .....	105 23
27 48	23. To Cash remittance to New York....	1,356 87
	5. " .....	15 11
277 44	" .....	35 00
	19. " .....	30 00
12 90	18. " .....	26 60
8 10		106 71
65 00	Mch. 1. To Amount of Charles Annand's bill against you, settled by us in account with him .....	9 00
20 00	11. " of R. T. Muir's bill against you, settled by us in account with him .....	24 68
2 00	4. To Cash .....	12 24
96 00	31. " .....	26 00
4 50	April 4. " paid our note 9 months due this date for C. W. Ritchie on your account .....	790 58
110 18	18. & 25. To 1 1/2 Chaldron Sydney coal .....	10 40
58 67	21. To Cash .....	16 00
219 03	" .....	14 84
64 50	" .....	32 40
154 92	" .....	11 29
2 93	May 4. " .....	65 25
0 25	" .....	262 50
47 60	" .....	66 75
	6. Bills Payable our Note 3 months for S. C. Allison & Co .....	405 79
	June 1. To Cash .....	360 00
	" .....	26 15
	" .....	13 71
	" .....	37 34
	July 14. " .....	142 00
253 87	" .....	52 75
	" .....	262 64
	31. " .....	150 15
	Aug. 22. " .....	53 77
	" .....	105 65
	" .....	14 00
220 43	" .....	22 00
262 50	" .....	61 46
	" .....	10 00
	" .....	267 38
	" .....	70 50
	31. " Drafts U. S. Cy. ....	\$23 00
	" .....	23 00
	" .....	174 00
342 20	July 4. To Bills payable our note, at 3 months, to J. W. & J. N. Ritchie, on your account....	220 00
25 13		813 76
7 50		
0 95		\$23,353 22

		Cr.					
1866.							
Nov. 22-	By Cash....	....	....	....	....	....	\$700 00
1867.							
Feb. 28.	By Amount debited to W. L. Dodge & Co., for balance due you by them on contract	....	....	....	....	....	258 73
1867.							
April.	By Cash balance as per your statement as follows, paid Invoices for our account to U. S. Cy.,....	....	....	....	....	563 07	
	Less draft on D. R. DeWolf & Co. ....	....	....	....	....	\$110 00	
	" B. B. Craycroft & Co. ....	....	....	....	....	50 00	
	Balance on Gold Drafts .....	....	....	....	....	44 05 204 05	
	U. S. Cy., ....	....	....	....	....	395 02	
	At 22 per cent Discount .....	....	....	....	....	114 98	280 04
May 6.	By your draft on Richardson, Meriam & Co., credited to us by G. S. Lincoln & Co., in our account with them, U. S. Cy. ....	....	....	....	....	95 35	
June 30.	" Difference of Exchange on U. S. Cy. Drafts entered in your account, viz., to Dr. \$160, to Cr. \$95.35; Difference \$64.65 at 24 per cent discount	....	....	....	....	15 52	
1868.							
Mch. 31.	Cash error in Cheque....	....	....	....	....	2 00	
	By office furniture from you as p. day book entry No. 1. Folio 161	....	....	....	....	76 00	
	" Amount of Bills payable Note at 3 months, debited you for a waggon bought of J. M. DeWolf, said waggon being now accounted as belonging to the firm	....	....	....	....	170 00	
1869.							
April 15.	By Cash deposited by you to our credit at the Union Bank ....	....	....	....	....	2,226 67	
1870.							
Jan. 24.	By Error in bill debited to you....	....	....	....	....	2 41	
	" Discount on amounts entered to your debt in U. S. Cy., as follows:						
	Feb. 12. '67 \$186.95 at 30 per cent discount....	....	....	....	....	56 08	
	May 28. '68 225.00 at 24 per cent " ....	....	....	....	....	54 00	
	July 28. '68 85.00 at 26 per cent " ....	....	....	....	....	22 10	
	Sep. 8. '68 30.00 at 27 per cent " ....	....	....	....	....	8 10	140 28
	Amount of costs and expenses in case of O'Brien vs. W. Montgomery, debited to your account instead of Mdse. ....	....	....	....	....	26 15	
	By Amount which you are entitled to draw out of actual profits of the business as per articles of co-partnership, assuming it to be correct that your half share of the actual profits of the business is at least equal that amount, 4 years and 1 month, to Aug. 31, 1870, at \$3,500 per year	....	....	....	....	14,291 66	
						18,234 81	
Aug. 31.	Balance carried down to your debt...	....	....	....	....	5,117 41	
						\$23,352 22	
Aug. 31.	To Balance brought down to your debit	....	....	....	....	5,117 41	
	Less amount of our Note entered to your debit, not yet due...	....	....	....	....	813 76	
	Leaving cash balance to your Dr....	....	....	....	....	\$4,303 65	

MESSRS

1867.  
 Mch. 25.  
 Apl. 13.  
 17.  
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 May 11.  
 14.  
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1866.  
 Sept. 7.  
 1867.  
 Feb. 4.  
 Mch. 20.  
 July 1.

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 1866.  
 Sept.  
 Oct. 3.  
 Nov. 3.  
 Dec. 3.  
 1867.  
 Jan. 1.  
 Feb. 1.

Mch. 2.  
 Apl.  
 May  
 July



## F.

MESSRS. WM. MONTGOMERY &amp; CO.

TO T. G. BUDD, DR.

1867.			
Mch. 25.	Cash loaned	.....	\$ 600 00
Apl. 13.	"	.....	500 00
17.	"	.....	500 00
30.	"	.....	400 00
May 11.	"	.....	200 00
14.	"	.....	250 00
23.	" Stg. Ex. £255.....	.....	1280 67
28.	"	.....	450 00
June 6.	"	.....	100 00
17.	"	.....	500 00
26.	"	.....	300 00
27.	"	.....	300 00 5380 6
Due by average May 11th, Cash, Interest from May 11th to July 1st		.....	46 64
Interest on Note of B. Wier, for \$2967.50 due 7th April, and paid by T. G. B., (02 days) and renewed, same being acct. Still Water Mill.....		.....	46 00
30.	Balance due T. G. B. on amount as per account rendered of first payments of Capital.....	.....	17 66
This amount to be passed to his Dr. as on account of Family Expenses.....		.....	3200 00
Amount paid W. Montgomery's passage to Boston, Feb. 27....		.....	20 00
W. Montgomery's Cow and R. R. Freight		.....	44 93
Amount loaned W. Garrabrant to pay Anderson		.....	50 00
" due by W. Garrabrant 1 barrel Flour		.....	11 00
" " W. Garrabrant 10 lbs Tea....		.....	4 00
			\$8,820 90
1866.			
Sept. 7.	By repairing Gratis	.....	21 50
	Stovepipe, &c.	.....	2 51
1867.			
Feb. 4.	By Cash on account Family Expenses	.....	1000 00
Mch. 20.	"	.....	50 00
July 1.	By W. Montgomery & Co.'s due Bill for this amount bearing 6 per cent. interest and considered as borrowed money to be returned on call....	.....	7746 89
			\$8,820 90

HALIFAX, N. S., July 1st, 1867.

T. G. BUDD.

## G.

THOMAS G. BUDD in account with WILLIAM MONTGOMERY &amp; CO.

1866.		Dr.	
Sept. 7.	To Merchandise.....	.....	\$ 21 50
Oct. 31.	" do	.....	3 00
Nov. 30.	" do	.....	120 00
Dec. 31.	" do	.....	60 00
1867.			
Jan. 16.	" do (Str. Sower)	.....	23 94
Feb. 13.	" do	.....	60 00
28.	" do	.....	60 00
4.	" Cash	.....	1000 00
23.	" Merchandise.....	.....	2 51
Mch. 20.	" Cash	.....	50 00
Apl. 9.	" Merchandise	.....	208 46
May	" do (Str. Chicora).....	.....	60 00
July 1.	" Balance carried down.....	.....	7746 89
			\$9,416 30.

<b>1867.</b>						
<b>July</b>	<b>1.</b>	To Bills Payable .....	....	....	....	<b>7746 89</b>
	<b>30.</b>	" Merchandise .....	.....	.....	.....	<b>60 00</b>
<b>Nov.</b>	<b>5.</b>	" Interest .....	.....	.....	.....	<b>40 63</b>
	<b>6.</b>	" Bills Payable \$2500 Discd. \$38 00 .....	....	....	....	<b>2461 97</b>
	<b>6.</b>	" Bills Receivable ....	....	....	....	<b>2500 00</b>
<b>Dec.</b>	<b>13.</b>	" Bills Payable.....	.....	.....	.....	<b>4387 82</b>
						<b>\$17,197 51</b>

1867.			
Dec. 31.	To Profit and Loss (to reverse entry July 1st)	3200	00
1868.			
Jan.	" Merchandise (Str. Chicora)	60	00
Feb. 13.	" Wm. L. Dodge & Co.	1104	00
Mar. 31.	" Balance carried down	548	00

1868.				
Apl. 4.	To Merchandise	.....	.....	3 00
June 25.	" Bills Payable....	.....	.....	32 09 00
	" J. W. Ritchie	....	.....	27 12
July	" Cash.....	.....	.....	2150 00
Sept. 22.	" Bills Payable	.....	.....	790 50
1869.				
Feb. 15.	" Merchandise....	....	.....	423 00
Mar. 31.	" Wm. L. Dodge & Co (bal. dr. of acc. transferred)	....	.....	2257 82
				<u>\$8,942 13</u>

					\$9,611 18
1869.					
Apr. 1.	To Balance brought down.....	.....	.....	.....	4562 41
Aug. 19.	" Merchandise .....	.....	.....	.....	149 00
Nov. 30.	" Mott & Howe (transfer) ....	....	....	....	53 70
					\$4,765 11

1870.			
May 1.	To	Balance brought down	4762 49
June 30.		Merchandise .....	18 00
July 20.	"	Bills Payable .....	1800 00
20.	"	do .....	1803 25
Oct. 6.	"	Cash .....	5275 00
6.	"	do .....	23 18
10.	"	do .....	40 00
22.	"	do .....	2 75
Nov. 9.	"	Retired his note favor Geo. P. Black, due this date, dis- counted by W. M. & Co. ....	1000 00
12.	"	Retired Wm. Dodge & Co.'s protested note, our favor, due 11th November, 1870. ....	1025 75
16.	"	Our 4 notes given him on 26th January, 1870, at 6, 12, 18, and 24 months, from 1st January, 1870, and payable in New York, in American Gold with interest from 1st Jan. 1870	14225 80
30.	"	Premium on Notes payable in American Gold—\$14,225 80 at 2½ per cent. ....	355 64
30.	"	Interest on Notes amounting to \$14,225 80 from 1st January, 1870, to 30th November, 1870, 11 months at 6 per cent. per annum—\$782 43, payable in American Gold and Premium on Interest at 2½ per cent.—\$19 56. ....	801 99
30.	"	Wm. L. Dodge & Co., balance of account transferred .....	884 07
Dec. 1.	"	Retired Wm. L. Dodge & Co.'s Note, his favor, due 3rd Dec., 1870 .....	500 00
Nov. 20.	"	Amount due on Account of Postage, from 7th August, 1870, to date .....	7 07
30.	"	Amount paid to Halifax Gas Co., for Gas at House to 8th November .....	32 40
30.	"	Amount due by Mott & Howe, settled in Account by T. G. Budd .....	41 41
			\$32,698 80

1870.  
Dec. 1.

1866.  
Dec. 31.  
1860.  
Jan. 7.  
Feb. 18.  
28.  
April 23.  
May 29.  
June

**July 1.**

1867.  
 July 1. 30.  
 31.  
 Nov.  
 Dec. 13.

Nov.  
Dec. 13.

1868.  
Jan. 31.

## March

1868.  
April 1  
June

July 1869.  
March 3 1869.  
Aug. 2 1870.  
April 3

1870.  
Oct.

Nov. 1Dec.

1866.  
Aug.  
1870.  
Dec.

746 89  
60 00  
40 63  
461 97  
500 00  
387 82

197 51

3200 00

60 00

1104 00

548 00

912 53

3 00

3209 00

27 12

2150 00

790 50

423 00

2257 82

3,942 13

4562 41

149 00

53 70

4,765 11

4762 49

18 00

1800 00

1803 25

5275 00

23 18

40 00

2 75

1000 00

1025 75

4225 80

355 64

801 99

884 07

500 00

7 07

32 40

41 41

2,698 80

1870.  
Dec. 1. To Balance brought down ..... 19576 91

\$19,576 91

CR.

1866.  
Dec. 31. By B. Wier & Co., account transferred .... 60 00

1860.  
Jan. 7. By Cash ..... 120 00

Feb. 18. " do ..... 83 93

28. " do ..... 17 66

April 23. " do ..... 268 46

May 29. " do ..... 60 00

June " Merchandise (per Contra, Oct. 31st) ..... 3 00

" do ..... 129 93

" Interest ..... 92 64

July 1. " Cash ..... 5,380 67

" Profit and Loss ..... 3,200 00

\$9,416 30

1867.  
July 1. By Balance brought down ..... 7,746 89

30. " Cash (Str. Chicora) ..... 60 00

31. " Bills Received.. ..... 3,013 49

Nov. " Interest..... 48 56

Dec. 13. " Cash ..... 3,633 00

" Interest ..... 116 82

Nov. " do ..... 76 25

Dec. 13. " Cash ..... 2,502 30

\$15,191 31

1868.  
Jan. 31. By Cash... ..... 60 00

" do proceeds of B. Wier's Note for \$2,500.. ..... 2,452 53

March " do ..... 2,400 00

\$4,912 53

1868.  
April 1. By Balance brought down.. ..... 584 93

June " Cash ..... 784 18

" Interest ..... 106 51

July " Cash ..... 2,940 50

1869.  
March 31. " Balance carried down .. ..... 4,582 41

1869.  
Aug. 28. By Merchandise ..... 2 62

1870.  
April 30. " Balance carried down..... 4,762 49

\$4,765 11

1870.  
Oct. 6. By Bills received.. ..... 4,275 00

" do do. .... 1,000 00

Nov. 16. " Amount of Due Bill given up as per agreement, when our  
4 Note dated Jan. 1st 1870, amounting to \$14,225.80 in  
American Gold and payable in New York with interest,  
were delivered to him ..... 7,746 89

Dec. 1. By Balance carried down ..... 19,576 91

\$32,698 80

1866.  
Aug. 11. By Cash (Capital Invested) ..... 15,000 00

1870.  
Dec. 1. " Balance due Wm. Montgomery & Co..... 4,576 91

\$19,576 91

The above is a correct transcript of T. G. Budd's account to this date as per Ledger without reference to Profits and Loss.

WM. MONTGOMERY & CO.,  
Per JOHN COOK, Book-keeper.

*Halifax, N. S., Dec. 2nd., 1870.*

I, John Howlett Harvey, of Halifax, being solemnly sworn, depone that the account hereto attached, signed for W. Montgomery & Co. by John Cook, was rendered to me about the 2nd December, 1870, by Mr. William Montgomery, the senior partner of that firm, in order to show me, as the legal representative of Thomas G. Budd, the position of his interest in the firm of W. Montgomery & Co., and I know of no other account having been rendered to me for that purpose.

JOHN H. HARVEY, Assignee.

Sworn to before me at Halifax, }  
this 5th day of Feb., 1873. }  
B. W. SALTER, J. P.

## H.

### NOVA SCOTIA IRON WORKS.

OFFICE OF W. MONTGOMERY & CO.,  
*Halifax, N. S., January 6, 1870.*

*John H. Harvey, Esq., Assignee of W. L. Dodge & Co., and T. G. Budd:*

DEAR SIR,—Having afforded you all the facilities and information you required, as to the property and liabilities of Wm. Montgomery & Co., and the relation of T. G. Budd thereto, I now make the proposition in writing which I have done verbally, as to a settlement of Mr. Budd's interest in the concern.

I hold notes and balance of accounts against W. L. Dodge & Co., amounting to \$3,180.72, and a balance against T. G. Budd, of \$1,623.51, together amounting to \$4,805.23. This, as successor to the firm of W. Montgomery & Co., I propose to relinquish, and waive all claims I may have to rate upon the estate of either Messrs. Budd and Dodge as individuals, or as a firm—upon the condition that you vest in me any title you may hold as assignee of T. G. Budd to the property held by Wm. Montgomery & Co.

I propose to take the whole concern with all its responsibilities, settle up the affairs of Wm. Montgomery & Co., and carry on the business on my own account. I make this proposition in order to effect an immediate settlement, which is imperative under the circumstances.

Hoping that the information in your possession will warrant you in accepting the proposition, and that all parties interested will see the propriety of acquiescing in the same.

I remain, yours truly,

WM. MONTGOMERY.

MESSRS.

1870.  
Sept. 16  
Nov. 12  
30

Dec. 1

By Bal  
" Bal

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1471 85  
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I.  
NOVA SCOTIA IRON WORKS.

Halifax, N. S., Dec. 19, 1870.

MESSRS. WM. L. DODGE & Co.

To WM. MONTGOMERY & Co., DR.

1870.

Sept. 16.	Our Note at 3 months fo. Wilkinson, Wood & Co....	.....	\$1,550 00
Nov. 12.	Retired, Wm. L. Dodge & Co., protested Note our fo....	.....	1,025 75
30.	Retired their protested Note fo. W. J. Chisholm, \$770.90	.....	
	Legal Expenses \$5	.....	775 90
Dec. 1.	Retired, Wm. L. Dodge & Co., Note fo. T. G. Budd	.....	500 00
			\$3,881 65

CR.

By Balance Cr. of Work Account	.....	\$ 240 30
" Balance Cr. of Cash Account..	.....	1,231 51
		1,451 83
Balance due.....	.....	\$2,409 82

[INSOLVENT ACT OF 1869].

In the matter of Wm. L. Dodge and Thos. G. Budd Insolvents, and Wm. Montgomery & Co., Claimants.

I, W. Montgomery of Halifax being duly sworn, depose and say : I am a member of the firm of Wm. Montgomery & Co., Claimants in the matter, and the said firm is composed of myself.

The insolvent is indebted to me in the sum of Twenty Four Hundred and nine dollars and eighty-two cents, as per account herewith rendered I hold no security for the claim.

Sworn to before me  
at Halifax this 19th  
day of Dec., 1870. }

and I have signed,

WM. MONTGOMERY.

JOHN H. HARVEY, Interim Assignee.

J.

HALIFAX, AUG. 10TH., 1870.

DEAR THOMAS,—Since our last interview regarding business matters, I have reflected seriously upon our affairs, and as the result, propose the following :

If you wish to withdraw your interest in the concern, I will purchase the same for the round sum of thirty thousand dollars, and pay as follows :

Cobie's notes to be retired as they mature....	.....	\$15,029 00
Amount drawn by you as per balance....	.....	4,762 49
Cash	.....	10,208 50
		\$30,000 00

Two months after your agreement to sell, to be allowed me to effect the arrangement. A deed of trust, if required, to be placed in the hands of some suitable person, to secure you against the liabilities of the concern.

If you do not accept the above, then I propose to credit myself with \$2,500 as salary, in consideration of my attending to the financial as well as the other business of the concern, and this matter to be referred to arbitration according to the terms of our co-partnership, providing you do not agree. Your serious consideration and early answer will much oblige me.

Yours truly,

WM. MONTGOMERY.

K.

NOVA SCOTIA IRON WORKS.

OFFICE OF W. MONTGOMERY.

Halifax, N. S., April 18, 1871

MR. GEORGE P. BLACK:

Dear Sir,—My young man has just delivered your message to me, the tenor of which is that you intend to commence a suit for amount of bill you hold against me.

I now beg to remind you that your draft for \$1,000 due Nov. 9th, 1870, is still unsettled, and also that your endorsement note of W. L. Dodge & Co, for \$500 due Dec. 5th., having been endorsed by me after you had to be retired at maturity. It was not my intention to trouble you about these obligations at present, but after the receipt of your message, I shall now require a settlement.

Yours truly,

WM. MONTGOMERY.

L.

HALIFAX, N. S., JANUARY 28, 1870.

MESSRS. WM. MONTGOMERY & Co.

PRESENT:

GENTN.—Having arranged with Mr. P. A. Chazal for the settlement of the amount due by me to the Charleston Importing and Exporting Company. I enclose four notes for thirty four hundred and fifty six dollars each, at 6, 12, 18, and 24 months, which please sign for my accommodation, and when paid at maturity, pass the amount to my debt in account.

Yours truly,

T. G. BUDD.

THOS.

Dr.  
1866  
Sept.  
Oct. 3  
Nov. 3  
Dec. 3  
1867  
Jan. 1  
Feb. 1  
1  
2  
2  
Mch. 2  
Apl.  
May  
July

1867  
July

Nov.

Dec.

186  
Jan.

Feb.  
Mch.

18  
Apl.  
June

July  
Sept.  
18  
Feb.  
Mch.



THOS. G. BUDD, ESQ., in account with MESSRS. WM. MONTGOMERY &amp; CO.

DR.		CR.	
1866.		1866.	
Sept. 7.	To Merchandise .....\$ 21 50	Dec. 31.	By B. Wier & Co.'s Str. acct. transferred.. 60 00
Oct. 31.	" do ..... 3 00	1867.	
Nov. 30.	" do ..... 120 00	Jan. 7.	" Cash..... 120 00
Dec. 31.	" do ..... 60 00	Feb. 18.	" do ..... 17 66
1867.		Apl. 23.	" do ..... 83 94
Jan. 16.	" do Str. Secret. 23 94	May 29.	" do ..... 268 46
Feb. 4.	" Cash..... 1000 00	June	" Merchandise per Contra to Oct. 31. 3 00
13.	" Merchandise ..... 60 00	" Merchandise ..... 129 93	
28.	" do ..... 60 00	" Interest ..... 92 64	
28.	" do ..... 2 51	July 1.	" Cash (per statement May 11)..... 5380 67
Mch. 20.	" do ..... 50 00	1.	" Cash per Contra... 2288 00
Apl. 9.	" do ..... 208 46	\$8416 30	
May	" do St. Chicora. 60 00	1867.	
July 1.	" Cash per Contra..... 2200 00	July 1.	By Bal. brought down. 4546 89
1.	" Bal. carried down... 4546 89	30.	" Cash, Str. Chicora.. 60 00
\$8416 30		31.	" Bills Receivable.... 3013 49
1867.		Nov.	" Interest..... 48 56
July 1.	To Bills Payable..... 4546 89	Dec. 13.	" Cash..... 3633 00
40.	" Merchandise, Stmr. Chicora..... 60 00	13.	" Interest..... 116 82
Nov. 5.	" Interest ..... 40 63	Nov.	" do ..... 76 25
6.	" Bills Payable, \$2500 less disc. \$38 03... 2461 97	Dec. 13.	" Cash..... 2502 30
6.	" Bills Receivable..... 2500 00	\$13997 31	
Dec. 13.	" Bills Payable..... 4387 82	1868.	
\$13997 31		Jan. 31.	By Cash..... 60 00
1868.		31.	" do proceeds of note for \$2500 ... 2452 53
Jan.	To Merchandise, Stmr. Chicora..... 60 00	Mch. 16.	" Cash..... 2400 00
Feb. 13.	" W. L. Dodge & Co.. 1104 00	31.	" Average Interest on Bal. this date, of \$3758 53 without reference to pro- fits, &c..... 21 80
Mch. 31.	" Bal. carried forw'd.. 16948 67	31.	" Prop. of profits to date..... 13178 34
\$18112 67		\$18112 67	
1868.		1868.	
Apl. 4.	To Merchandise ..... 3 88	Apl. 1.	By Bal. brought for'd.. 16948 67
June 25.	" Bills Payable..... 3290 69	June	" Cash..... 784 13
	" J. W. Ritchie..... 27 12	" Interest..... 184 51	
July	" Cash ..... 2150 00	July	" Cash..... 2940 50
Sept. 22.	" Bills Payable..... 790 00	1869.	
1869.		Mch. 31.	" Interest for 1 year at 6 per cent. on \$3770 33 per memo 226 22
Feb. 15.	" Merchandise ..... 423 00		Interest for 1 year at 6 p. c. on \$5- 833.33 per memo. 350 00
Mch. 31.	" W. L. Dodge's Ac- count transferred. 2257 82	31.	" Prop. of Profits to date..... 4297 58
31.	" Bal. carried down... 16711 53	\$25653 66	
\$25673 66		\$25653 66	

1869.	Dr.	
Aug. 19.	To Merchandise .....	149 00
Nov. 30.	" Mott & Howe's acct.	53 70
1870.		
Apl. 30.	" Proportion of Loss to date.....	39 55
30.	" Bal. carried forw'd..	17028 88

\$17271 13

1870.		
June 30.	To Merchandise .....	18 03
July 20.	" Bills Payable.....	1800 00
20.	" do .....	1803 25
Oct. 6.	" Cash.....	5275 00
6.	" do .....	23 18
10.	" do .....	40 00
22.	" do .....	2 75
Nov. 9.	" Retired his Note fa- vor G. P. Black, due this date disc. by W. M. & Co....	1000 00
16.	" Our 4 Notes given him on 28th Jan., 1870, at 6, 12, 18, and 24 months, from 1st Jan., '70, payable in New York, in Am'can Gold, with int. fm Jan. 1, 1870.....	14225 80
12.	" Retired W. L. Dodge & Co.'s protested Note.....	1025 75
30.	" Retired W. L. Dodge & Co.'s Note, his favor.....	500 00
30.	" Premium on Notes payable in Am'n. Gold, \$14,225 80, at 2½ per cent.....	355 64
30.	" Interest on Notes am't'ng to \$14,- 225 80 from Jan. 1, 1870, to date, 11 months at 6 p. cent. per annum, \$782 43 payable in Am'n. Gold, and premium on int. at 2½ p. c., \$19 56.	801 99
30.	" Amount due on acct. of Postage .....	7 07
30.	" Am't paid Gas Co. to 6th Nov.....	32 40
30.	" Amount of Mott and Howe's account..	41 41
30.	" Merchandise .....	7 10
30.	" Bal. of W. L. Dodge and Co.....	834 01
30.	" Prop. of loss to date.	4915 94
30.	" Bal. carried down..	13944 71

\$46704 06

1869.	Cr.	
April 1.	By bal. brought down..	16711 53
Aug. 28.	" Merchandise.....	2 62
1870.		
April 30.	" Int. on \$8,568.94 per memo. for 13 mos. at 6 per cent....	556 06

\$17271 13

1870.		
May 1.	By bal. brought forward..	17028 88
Oct. 6.	" Bill receivable.....	4275 00
6.	" do .....	1000 00
Nov. 16.	" Amount of due bill given up as per agreement, when our 4 notes amount- ing to \$14,225.80, payable with int., were delivered to him.....	4546 89
30.	" Difference between note given to J. C. Allison & Co. and charged to him, amounting to \$3603.25, and note of W. M. & Co. for \$3556.45 retir- ed by him.....	46 80
30.	" Bills payable, amount of W. M. & Co.'s note, his favor, to Ch'ton Importing Co., due 1st July, 1870, and retired by him Oct. 12 '70.	2556 45
30.	" Amount of capital transferred..	15000 00
30.	" Interest on due bills of \$4546.29 from 1st July, 1867, to date—3 5-twelfth years at 6 p. c....	932 10
30.	" Interest on under- draft of \$12717.51, 1st May, 1870, to date—5 months, at 6 p. c. per ann.	317 94

\$46704 06

1870.		
Dec. 1.	" By balance brought down.....	\$13944 71

I certify that the foregoing Account current of Thomas G. Budd, from pages 1 to 3, is, to the best of my knowledge and belief, a true and correct

statement of said T. G. Budd's position as a partner in the firm of William Montgomery & Co., on the 30th Nov., 1870, as far as could be ascertained from the books and documents at my disposal, without reference to disputed over-charges or under-credits.

Halifax, N. S., 17th Feb., 1873.

JOHN COOK.

WILLIAM MONTGOMERY, ESQ., in account current with MESSRS. WILLIAM MONTGOMERY & CO.

DR.		CR.	
1866.		1866.	
Sept. 25.	To Cash.....\$ 85 66	Nov. 22.	By Cash.....\$700 00
Nov. 9.	do. .... 1074 31		
Dec. 1.	do. .... 410 00		
7.	do. .... 44 38		
15.	do. .... 85 82		
20.	do. .... 210 88		
1867.		1867.	
Jan. 3.	To Merchandise..... 40 13	Feb. 28.	By W. L. Dodge & Co.
3.	Cash..... 50 00		Bal. of contract.. 208 73
12.	do. .... 46 40	April 30.	" Cash per statement. 280 04
15.	do. .... 134 40	May 4.	" G. S. Lincoln & Co.. 95 37
10.	do. .... 23 09	June 30.	" Merchandise for diff-
Feb. 4.	do. .... 10 10		erence in Exch ge.
5.	do. .... 100 00		on Cy. drafts.... 15 52
11.	do. .... 35 20		
12.	do. .... 726 25		
	do. See Contra 208 73		
13.	Merchandise..... 102 54		
28.	do. .... 45 15		
	Cash ..... 20 30		
March 1.	Merchandise..... 11 58		
4.	do. .... 75 50		
April 13.	Cash ..... 60 00		
23.	do. .... 16 00		
30.	Wash'ton Iron Wks. 160 00		
May 19.	Merchandise..... 5 00		
31.	Cash ..... 350 13		
June 1.	do. .... 100 00		
28.	Merchandise..... 11 00		
30.	do. .... 64 93		
1867.			
July 6.	To Cash ..... 15 00		
19.	Merchandise..... 12 00		
20.	do. .... 26 00		
30.	Cash ..... 60 00		
Aug. 5.	do. .... 125 00		
22.	do. .... 52 00		
29.	do. .... 138 89		
30.	do. .... 53 50		
Sept. 14.	do. .... 140 00		
25.	Merchandise..... 42 37		
28.	Cash ..... 60 50		
Oct. 4.	do. .... 78 00		
8.	do. .... 258 77		
10.	do. P. Inglis acc.. 18 60		
11.	do. .... 34 00		
	do. Water Tax... 24 00		
	W. L. Dodge & Co.. 28 21		
Dec. 31.	do. .... 246 07		
21.	do. .... 227 34		
Nov. 8.	do. .... 52 50		

1868.	Dr.	
Jan. 1.	To Cash .....	80 00
8.	" do. ....	10 80
11.	" do. ....	50 00
18.	" do. ....	36 50
31.	" do. ....	44 24
	" do. ....	178 27
Feb. 1.	" W. P. Sullivan trans- ferred on account	69 50
	" Cash .....	100 00
27.	" Merchandise .....	179 42
29.	" Cash .....	439 84
Mch. 1.	" do. ....	75 73
4.	" Merchandise .....	9 50
Mch. 28.	" Cash .....	33 74
31.	" Merchandise .....	12 47
	" Interest on overdraft of \$110.44 from 1 March, 1868—31 days at 6 per cent per annum .....	00 56
	" Balance carried down	7234 01
1868.		\$14,555 98
April 30.	To Merchandise .....	30 00
31.	" Cash .....	102 85
May 15.	" Merchandise .....	21 00
	" Edgar Dodsons acct.	16 35
	" Cash .....	353 95
June	" Cy. Draft on Boston	225 00
	" Cash .....	95 58
July	" Merchandise .....	10 00
	" Cash .....	217 05
	" do. U. S. Cy. ....	85 00
Aug. 14.	" Bills Payable .....	170 00
28.	" Merchandise .....	9 25
31.	" Cash .....	310 63
Sept.	" Merchandise .....	39 00
	" Cash .....	165 71
Oct.	" do. ....	217 17
	" do. U. S. Cy. ....	30 00
Nov. 14.	" Merchandise, Flour	18 50
30.	" do. Coal .....	49 50
	" Cash .....	460 50
Dec. 31.	" Merchandise .....	23 50
	" C. & W. Anderson..	267 59
	" Cash .....	276 07
1869.		
Jan. 8.	To Cash .....	12 90
	" Brought forward .....	3,207 28
Jan. 9.	" Cash .....	173 72
27.	" do. ....	27 00
29.	" Merchandise .....	50 30
Feb.	" do. ....	10 80
	" do. ....	7 45
9.	" do. ....	3 50
	" Cash .....	149 00
Mch. 3.	" Merchandise .....	8 68
13.	" Cash .....	28 89
15.	" do. ....	388 41
25.	" Gordon & Keith's account .....	78 50
31.	" Interest on overdraft and interest to 31 March, 1868,— \$111.00 for 1 yr. at 6 per cent....	

1868.	
Mch. 31.	By Cash for error in Cheque .....
	" Merchandise .....
	" Proportion of Profits to date .....
	\$14,555 98

1868.	
April 1.	By Bal. brought down.
1869.	
Mch. 30.	" Merchandise .....
	" Proportion of Profit to date .....
	\$11,701 59

*of settlement  
I would have done  
so, no matter how  
in vain I was after*

Mch 31

1869  
April

May

April  
June

July

Aug.

Sept.

Oct.

Nov.

Dec.

1870  
Jan.

Feb.

Mch.

April

1871  
April

Mch 31. To Interest on overdraft  
of \$470.09 per  
Memo ..... 1 24  
" Bal. carried down... 7,560 26

\$11,701 50

1869. DR.  
April 1. To Draft on Boston... 2228 00  
13. " Cash ..... 330 67  
" do ..... 40 00  
16. " do ..... 16 70  
20. " Merchandise ..... 8 25  
30. " Cash ..... 209 54  
May " Merchandise ..... 47 46  
" Cash ..... 277 44  
April 23. " do Omitted ..... 82 59  
June 4. " do ..... 65 00  
14. " Merchandise ..... 12 90  
18. " do ..... 8 10  
July 24. " do ..... 6 50  
26. " Merchandise... 00 96  
" Cash ..... 130 10  
Aug. 13. " do ..... 58 67  
31. " do ..... 219 03  
Sept. " do ..... 64 50  
27. " Merchandise ..... 2 93  
30. " Cash ..... 153 92  
Oct. " Merchandise ..... 47 85  
" Cash ..... 223 87  
Nov. 30. " Bills Receivable... 250 00  
" Cash ..... 250 43  
Dec. 31. " Merchandise ..... 25 13  
" Cash ..... 343 20

1870.  
Jan. 6. " Bills payable..... 778 80  
10. " Merchandise. .... 7 50  
22. " do ..... 00 95  
24. " do ..... 7 00  
" Cash ..... 203 04  
" Gordon & Keith's  
Feb. 1. " Bills payable C. & W. 362 00  
Anderson.....  
" Cash C. & W. Ander- 106 71  
son .....  
8. " Merchandise..... 5 00  
23. " Sundry Accounts... 81 32  
" Cash remittance to  
New York..... 1356 87  
" Cash ..... 106 71  
Mch. 1. " Merchandise..... 9 00  
11. " do ..... 24 68  
" Cash ..... 38 22  
April 4. " Bills payable..... 790 58  
18. " Merchandise ..... 3 80  
21. " Cash ..... 68 24  
25. " Merchandise ..... 6 60

1870.  
April 30. " Interest on \$588.99  
per Memo. from 1  
April 1869, 13  
months at 6 p. c. 38 28  
" Interest on overdraft  
per memo. .... 77 82  
" Profit of loss to date 39 54  
" Bal. carried down.. 558 49

\$9,839 34

1869. CR.  
April 1. By Bal. brought down. \$7560 26  
15. " Cash ..... 2226 67  
Nov. 30. " Merchandise disct..  
on drafts in U. S.  
Cy..... 50 00

1870.  
Jan. 24. By Merchandise..... 2 40  
\$9839 34

2 00  
6 00  
8 34  
5 98

4 01  
0 00  
7 58  
1 59

*am down  
now  
L. a. Q.*

1870.		Cr.	1870.	Dr.
May 6.	To Bills payable.....	360 00	May 1.	By Bal. brought down..\$ 588 40
31.	" Cash .....	405 79	July 27.	" Merchandise..... 26 15
June 30.	" do .....	219 20	Aug. 31.	" do ..... 1606 87
July 4.	" Bills payable.....	831 76	Oct. 31.	" do ..... 91 08
30.	" Cash .....	465 54	Nov. 30.	" Bal. carried down.. 6001 76
Aug. 31.	" Currency drafts....	220 00		
	" Cash.....	337 88		\$8,284 35
Sept. 30.	" do .....	88 10		
Oct. 31.	" do .....	173 60		
Nov. 30.	" do .....	40 64		
	" Merchandise .....	34 39		
	" 7 months Interest on			
	\$5976.22 at 6 p. c.	209 51		
	" Profit of Loss to date	4915 74		
		\$8,284 35		
1870.				
Dec. 1.	To Bal. brought down..	\$6001 76		

I certify that the foregoing account current of Wm. Montgomery, Esq., from page 1 to 6, is to the best of my knowledge and belief a true and correct statement of the said Wm. Montgomery's position as a partner in the firm of Wm. Montgomery & Co., on the 30th November 1870, as far as could be ascertained from the books and documents at my disposal, without reference to disputed undercharges or overcredits.

JOHN COOK.

Halifax N. S., 17th January, 1873.

# STOCK OR PROFIT AND LOSS ACCOUNT OF W. MONTGOMERY & CO.

Dr.		Cr.
1868.		1868.
March 31.	To T. G. Budd for int.\$ 21 80	March 31. By Machine-shop.... 8850 65
	" T. G. Budd trans..13178 34	" Profit and Loss...17527 27
	" Wm. Montgomery transferred. ....13178 34	" Wm. Montgomery for interest.... 0 56
	\$26376 48	\$26378 48
1869.		1869.
March 31.	To T. G. Budd for interest..... 576 22	March 31. By Profit and Loss.. 9162 48
	" T. G. Budd, trans. 4297 58	" Wm. Montgomery for interest.... 9 90
	" Wm. Montgomery, transferred. .... 4297 58	\$9171 38
	\$9171 38	
1869.		1870.
April 1.	To Profit and Loss, sundry bad accts. transferred..... 3056 54	April 30. By Profit and Loss, for profits to date.. 3418 33
1870.		" Wm. Montgomery for interest..... 116 10
April 38.	" T. G. Budd for int. 556 98	" T. G. Budd for loss 39 55
	\$3613 52	" Wm. Montgomery for loss..... 39 54
		\$3613 52



1870.	Dr.	1870.	Cr.
June 30.	To sundry bad accts. transferred.....	Aug. 9.	By Cook & Co.'s balance transferred.....
	1051 71		0 71
Aug. 9.	" Fuller, Lord & Co., balance.....	Oct. 31.	" Fraser, Paint & Co.'s balance.....
	0 35		6 50
Sept. 30.	" Sundry bad accts. transferred.....	Nov. 30.	" J. M. Beach & Co.. " $\frac{7}{8}$ of Merchandise account, Profits..
	9 94		63 63
Oct. 31.	" Sundry bad accts. transferred.....		3877 39
	11 81		" Wm. Montgomery for interest ....
Nov. 30.	" Sundry bad accts. transferred.....		209 51
	1898 31		" T. G. Budd for loss 4915 94
	" Depreciation in val. of Machinery....		" Wm. Montgomery for loss.....
	3500 00		4915 94
	" Merchandise for amt due from profit & previous years....		<u>\$13989 00</u>
	4186 25		
	" Expense account..		
	120 00		
	" $\frac{7}{8}$ of interest account		
	1961 21		
	" T. G. Budd for int.		
	1250 04		
	<u>\$13989 62</u>		

I certify the foregoing statement of Profit and Loss of the firm of William Montgomery & Co. to be a true and correct statement of said account, to the best of my knowledge and belief, to the 30th Nov., 1870, as far as could be ascertained from the books and documents at my disposal.

JOHN COOK.

Halifax, N. S., 17th February, 1873

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